FBIS DAILY REPORT

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PRESIDENT BIGNONE CLOSES GOVERNORS CONFERENCE

PY300035 Buenos Aires Domestic Service in Spanish 2040 GMT 29 Sep 82

[Argentine President Reynaldo Bignone address closing provincial governors meeting at the legislative palace of the city of Salta -- live]

[Excerpts] The guidelines and instructions that determine the political behavior that the national executive branch wants all the authorities of the country to observe have been outlined and given during the former administrations. Let there be no doubt whatsoever about the path that has been chosen to be followed. The country knows that we are determined to make the path toward democracy as smooth as possible. I can satisfactorily add that nobody is saying anything to the contrary. However, this is the best opportunity for referring to a basic and essential subject. Our mission is to restore the institutions of the republic no later than March, 1984. However, achieving this successfully is something that goes beyond the mere holding of elections and the handing over of power. It is our duty to do all the necessary things to attain democracy, as well as to make every possible effort so that democracy remains a solid basis for the country.

We must bear in mind that all those things that guarantee national coexistence will insure the transit toward the country's institutionalization, and will also give viability and strength to the government that is elected.

We must consolidate a framework for democracy and reach an agreement that will be an important political event, making it possible for our democracy to be a peaceful and genuine one. This will be the sole purpose of the agreement. This agreement will not imply political commitments or pacts, but will be one that will overcome the realities that have left a deep mark on the spirit of the Argentine people.

Following a realistic analysis of the present situation, the government understands that reaching this agreement is something necessary; better said, indispensable.

The government commits its total capability and willingness to holding talks for the purpose of promoting that agreement and of giving its own definition on each subject in due time. However, our society and its leaders will have to seek that agreement.

Bearing in mind the importance of this subject, the various political, social and economic sectors of the country must contribute to the building of this basis with consolidated mandates and with positive attitudes. This will allow identifying those who are resolved to work for the purpose of attaining harmony. Moreover, it will allow the country to discover those who promote violent actions or actions alien to the country, or who attempt to hinder the reaching of an agreement, an agreement the people will surely approve of. Neither precautions nor reservations are valid. The government does not want any crooked deals and will not deal crookedly. It is not a matter of bowing to the country, but of the Argentine people agreeing to follow a path whose only objective is the unrestricted enforcement of the National Constitution and defending the republican and democratic plan of our forefathers.

In the forthcoming months, exemplary behavior must be observed, behavior that will lead with certainty to the future. The aspirations that are shared by the majority of the Argentine people are among those things that promote this behavior. The aspirations of the Argentine people are that democracy bring stability to the country and consolidate peace, order and security, that political freedom not become the vehicle for its own destruction, that violence not be used again as a means for imposing ideas or for disputing power.

Let it be justice alone, in which the people in general trust, that continues to sanction and punish those who attempt to affect coexistence. Let the economy boost the country's potential and put it at man's disposal.

We are aware of the difficulties facing the attainment of this development in the present situation. We are aware that these difficulties are having a harsh effect on the country and that they originate in an extremely serious economic crisis, one of the most serious ones the country has ever experienced. Moreover, this economic crisis is framed within an international context, which is also critical and studded with risks and unstable situations.

It will not be easy to overcome this situation. This will require the efforts of all the people and of all sectors without exception. For this reason, nobody can expect total satisfaction at this time, and neither can the government irresponsibly promise it. The government must continue to adopt measures that are designed to boost the reactivation of the economy.

The actions that the present government carries out in the political, economic and in other fields will be outlined in a government plan which has two objectives:

The first of these is to ensure that our actions are of an organic, practical and efficient nature. The second objective is that those actions positively contribute to making the transition between the present government and the next constitutional authorities as easy as possible.

We are fully determined to make progress by attempting to give the most adequate response to the requirements of the present situation. However, I repeat that seeking a major political agreement is the main objective of the present administration.

This task must be fulfilled by fully using that federalist calling that brought unity and organization in the most critical times of our history. Therefore, I expect the federal states to make another resolute and decisive contribution to the development and consolidation of national institutions.

The central government and the provincial authorities will be strictly impartial regarding the democratic debate and confrontation that will necessarily take place as the process draws to an end. However, we must encourage the people to support the agreement that we are seeking to reach and to express their views by actively participating in those parties or groups with which they feel fully identified.

We will attain a representative democracy with the only tools that can attain this, that is, with the corresponding electoral process and with the political parties, which are in turn the tool of the electoral process.

The government is doing all it can to insure that the return to democracy is as authentic and genuine as possible, beginning with this first stage of the rebuilding of the parties at the district and national levels so that they can be effective tools in achieving, through the electoral process, the representativity that the Constitution demands of us.

We must continue to march toward democracy by taking into account the three conditions that the National Constitution imposes for our democracy, that is, that it has to be a republican, representative and federal democracy. We add to that, although not with the wisdom of our forefathers who wrote the Constitution, another condition that we believe is essential because of the ups and downs of our political history in the past. That condition is that it be a stable democracy. We also want a stable democracy.

I maintain that this is easier to achieve because it is implicit in the three previous conditions. A democratic system is likely to be stable if it is truly republican, representative and federal.

The starting point for attaining that stability and the three other essential conditions is to reach, as I mentioned before, an agreement that will make it possible to attain that stability that we all desire for our democracy. That agreement is not only to be found in the field of ideas. Mssrs Governors, Mr Mayor, please seek that agreement with the government in the field of ideas and particularly in the field of the behavior that we adopt as rulers, leaders or merely as citizens. You will be as strong as is necessary to insure that the stability we all desire for democracy is attained.

All of us, that is, you, Mssrs Governors and Mr Mayor, the ministers who are here with me, and myself, undertook the mission of leading the country with faith, security and resolutness toward the republican, representative and federal democracy that the people call for and that the young people demand we hand over to them. Our democracy has to be stable so that our youths can enjoy it. We will fulfill, with God's help, this mission that we undertook. To this effect, as president of the nation, I commit the honor of all of us who are here. That is all gentlemen. Thank you very much. [applause]

SEA FLEET COMMANDER HANDS OVER POST TO SUCCESSOR

PY291647 Buenos Aires DYN in Spanish 2115 GMT 28 Sep 82

[Excerpts] Bahia Blanca, 28 Sep (DYN) -- Rear Adm Gualter Allara, outgoing commander of the Sea Fleet, today admitted that during the war over the Malvinas the Argentine ships withdrew shortly after the cruiser General Belgrano sunk. The withdrawal was carried out in compliance with superior orders in view of the impossibility of counteracting "the means of information" which the British had to detect the vessels.

Today, Admiral Allara made a speech to the fleet during the ceremony in which he handed over his post to Rear Adm Eduardo Morris Girling, who will be his successor since he was retired from active service.

He called on his men to maintain discipline and comradeship and praised his successor as commander of the fleet.

The ceremony took place on the parade grounds in front of the naval station at Puerto Belgrano.

At the end of the ceremony, Allara stated that "Sometimes inscitutions and men are subject to times of trial during which adversity prevails, but this same adversity should make us stronger, more determined, more idealistic, more generous and prudent because the only defeated in this world are those who believe in nothing."

NATION TO HOLD MUNICIPAL ELECTIONS IN DECEMBER

PY291526 La Paz Cadena Panamericana in Spanish 1130 GMT 29 Sep 82

[Excerpt] Bolivia will hold municipal elections in December 1982 in order to elect these authorities who were previously appointed by the executive branch.

Yesterday, the National Electoral Board disclosed that these elections will be held after the constitutionalization of the country is achieved.

Walter Montano, member of the National Electoral Court, disclosed that this decision was approved during a plenum of that organization.

FOREIGN MINISTER TO ADDRESS UNITED NATIONS

PY291553 La Paz Cadena Panamericana in Spanish 1130 GMT 29 Sep 82

[Text] On 2 October, Bolivian Foreign Minister Agustin Saavedra Weisse will travel to New York, headquarters of the UN General Assembly.

The Bolivian representative's speech to the United Nations is scheduled for 4 October. On that occasion, he will refer to basic aspects of Bolivian foreign policy.

According to the information Panamericana obtained from Foreign Ministry sources, the minister will also place emphasis on the determination of the armed forces of the nation for a return to democracy and the full constitutionalization of our country.

It was also disclosed that he will voice Bolivia's solidarity with the developing countries as well as demanding the economic cooperation of nations in order to overcome the serious financial-economic crisis which our country is experiencing.

The sources ended by stating that Minister Saavedra's trip has been authorized by the current government.

CORRECTION TO EX-MINISTER'S APPOINTMENT

The following correction to the item entitled "Former Interior Minister's Appointment Opposed," published in the 27 September Latin American DAILY REPORT on page C 2, should read as follows:

On page C 3, words were dropped from line two. The sentence should read ...opportunity for the former interior minister of Gen Luis Garcia ...

BRIEFS

TAIWAN COOPERATION AGREEMENT -- The Bolivian and Taiwanese governments have agreed to extend for 2 years the agreement whereby Taiwan has been providing technical assistance in the agricultural area since 1971. [La Paz Radio Illimani Network in Spanish 1100 GMT 28 Sep 82 PY]

PMDB: ATMOSPHERE OF VIOLENCE IN PERNAMBUCO

PY291700 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Sep 82 p 3

[Text] Recife -- The electoral campaign of the PMDB [Brazilian Democratic Mobilization Party] in Pernambuco has been suspended. For 24 hours there will be no meetings or rallies and no cars carrying loudspeakers will be driving around. Senator Marcos Freire, PMDB candidate for governor of this state, and all Pernambuco federal deputies of the PMDB bloc will leave for Brasilia today in order to denounce the atmosphere of violence prevailing in this state.

This step of the PMDB has been prompted by attacks on three of its members. Heliodoro Pereira de Andrade, candidate for mayor of Sao Benedito do Sul, has been murdered. On Saturday morning, Senator Marcos Freire and the PMDB candidate for senator, Cid Sampaio, were going to that city, 180 kms from Recife, when their bus was shot at by an unknown person.

The PMDB announced the suspension of the electoral campaign through a note which denounced the "atmosphere of violence unleashed with the complaisance of state authorities." According to the note, this situation "has assumed intolerable proportions unprecedented in Pernambuco's political history."

Today the PMDB deputies for Pernambuco will take to the rostrum [in Congress] to denounce "the atmosphere of anarchy, violence and threats prevailing throughout the state and to warn the federal authorities of the risk which this situation poses." At the end of their note, the PMDB claims that "the attacks, shooting and violence are the death rattle of the de facto regime, which is incapable of facing the ballot test after 18 years of bullying and privileges."

The party has instructed its members and candidates to "comply with the guidelines, not give in to threats and report the attacks without reacting to provocations." The electoral campaign in Pernambuco has been developing amid mutual aggressions, even to the extent of damaging propaganda material of the two largest parties in the state: the PDS [Social Democratic Party] and the PMDB.

However, for the time being at least, only members of the PMDB have been hurt by the shooting. After the murder of Heliodoro Pereira de Andrade, union leader Manoel Jeronimo (one of the PMDB leaders in the inland city of Iguaraci) and Clodoaldo Torres, PMDB candidate for the state legislative assembly, were also shot at.

Sergio Higino Dias, secretary for public security, has reported that the appropriate steps will be taken as soon as he is officially informed of the attack on Marcos Freire's and Cid Sampaio's bus on Saturday. Bus driver Severino Ramos de Lima, who saw the man who shot at the bus, knows only that the man was white, had a moustache and was driving a Chevrolet C-10 pickup truck. He was unable to get the license plate number.

VICE PRESIDENT CHAVES DEPARTS FOR EUROPE 29 SEP

PY300104 Brasilia Domestic Service in Portuguese 2200 GMT 29 Sep 82

[Excerpt] Vice President Aureliano Chaves departed this morning for Europe, where he will visit Hungary, the Netherlands and the FRG. He is expected back in Brazil on 13 October.

PLANNING MINISTER ON FINANCIAL SITUATION

PY290259 Rio de Janeiro O GLOBO in Spanish 24 Sep 82 Special Section p 3

["Exclusive" interview granted by Planning Minister Antonio Delfim Neto to Eli Teixeira and George Vidor -- date and place not given]

[Excerpts] O GLOBO: Will credit be tight during the remainder of the year? After the increase in the legal reserves requirements, some businessmen, and even the commercial development council, began to work under the expectation of reduced business in the coming months.

Delfim: There is no reason for that. Legal reserves were increased on new additional deposits only, and to prevent the growth of means of payment, not to reduce them. We cannot go into 1983 with a liquidity surplus. We want to be prepared to continue gradually bringing down inflation. This has been a very difficult year in terms of inflation, and we have to do some work to reduce it.

O GLOBO: But what about the discomfort of quite high interest rates in the domestic market? Isn't the government contradicting itself by trying to lower financial costs while squeezing the money supply?

Delfim: Unfortunately, we are indeed contradicting ourselves, and we have no better way to handle it. I believe that if we are successful in creating an anti-inflationary expectation, we will have a reduction in interest rates as a result. Otherwise, we will end up with nothing.

O GLOBO: Although by allowing a 7 percent monetary correction, the government is pushing interest rates and inflation upwards.

Delfim: It does indeed. The drama is that inflation perhaps has an origin. That origin has several consequences then, and in turn, each consequence becomes a new cause of inflation. Inflation is not an isolated fact but a process. Of course, any little thing that has to be adjusted due to inflation causes a little bit more inflation.

O GLOBO: The government should certainly be contemplating new anti-inflationary measures....

Delfim: We have already seen that it is possible to bring inflation down, and we are preparing to do just that. We know that government deficits are the basic cause of inflation, and thus we are concentrating our efforts on reducing those deficits. I believe that we are about to reach a point in which government deficits will drop drastically. The budgets of the state-run enterprises [as published]. But the monetary and fiscal budgets will reveal a drastic reduction of those deficits in 1983.

O GLOBO: Since the government admits that its deficits are to blame for inflation, wouldn't it be appropriate for the government to hold down the prices of its services and products, for instance, thus contributing to reduce inflationary expectations.

Delfim: On the decision of the nation's president, the prices of government-produced goods and government utility rates will rise less than inflation.

O GLOBO: Less in percentages?

Delfim: Less, just less. Another decision by the president is that all enterprises will have to have important savings in costs so as to raise their profitability without raising prices. Third: All enterprises will have to show tangible gains in productivity.

O GLOBO: And the enterprises that only have expenditures and incomes?

Delfim: Ah, those have to be closed down. All of them will have to cut down costs, including Itaipu, Tucurui. We will do this by sectors. The energy sector has to charge rates equivalent to the inflation increase -- an increase I expect to be smaller than this year's -- but the sector profitability will have to be greater than the 1982 profitability.

O GLOBO: It is difficult because state-run enterprises are not very concerned with profitability.

Delfim: We have state-run enterprises that are very efficient, and other will learn. I am sure that they will make the adjustments. State enterprises will invest from 3 to 4 percent less than in 1982.

O GLOBO: Does that include projects which demand a great deal of money, such as Carajas, Tucurui?

Delfim: It includes all of them. The four decisions I talked about are consistent with the need to bring down the public sector deficits to a maximum of 2.5 percent of the Gross Domestic Product [GDP]. At present, those deficits range from 4 to 6 percent of the GDP.

O GLOBO: Won't all that repeat the 1981 recession? in 1983?

Delfim: No. If we prune the excess of government demand, the worse that can happen is a decline in prices.

O GLOBO: Those investment cuts for the state enterprises are tantamount to recommending that private enterprises tighten operations because 1983 will be a year of austerity?

Delfim: Undoubtedly. Next year will be a year of austerity in terms of investment. However, the situation will not be all that bad because we are completing some investment projects. Itaipu is practically finished, and we have several projects approaching completion.

O GLOBO: Can workers even expect unemployment next year as a result of all that?

Delfim: No. Look at this: the excess in government expenses does not generate employment. And I will only cut some of the excess in government demand. You will have the same demand, although prices will increase a little bit less.

O GLOBO: Since the state enterprises constitute a good portion of the national economy, do you intend to hold the GDP to a modest level next year through those measures?

Delfim: Not necessarily. Were the excess in government expenses the driving force of development, there would be no undeveloped countries. The most government expenses can generate is inflation and balance-of-payments deficit.

O GLOBO: Doesn't the lack of response from the agricultural sector cause concern? The government is already expecting a drop in agricultural output.

Delfim: The farmers' response has been excellent. We are planting now, and I believe we will again have a 4 or 5 percent increase in cultivated area if rains come on time as they have so far. We will certainly have 6 to 7 percent greater grain production than the previous harvest. There is confusion between a coffee production drop and a lack of response from the farmers. One thing has nothing to do with the other. But we are again having a large coffee harvest. The next coffee harvest will be a bumper crop.

O GLOBO: What will we do with so much coffee? Exports have a limit and internal consumption certainly will not go up that much because of the high price.

Delfim: We will store some and export the rest. We will try to export the rest. Coffee has a highly inelastic demand. The production of this commodity cannot be expanded too much. But we will increase the production of soybeans, oranges, peanuts and cotton. Of course, we will have high production in Brazil overlapping with high production in the United States. But the prices of primary products did not decline because of that. They declined because of the high interest rates.

O GLOBO: Does the current level of international interest rates now permit the stockpiling of primary products?

Delfim: I have the impression that, if they are held at the current level, stockpiles will be replenished slowly; we will again have profitable projects, and the international economic system will function again.

O GLOBO: Are new squeezes necessary to improve the position of the balance of trade? The squeezing of imports, for instance?

Delfim: No, no. What is happening with Brazil? Exports to the United States, the EEC and Japan are expanding both in physical volume and in value. Exports to the Soviet bloc are dropping (47 percent so far), as are exports to Latin America (35 percent). Exports in general have dropped by 1 percent and prices by 7 percent. Therefore, exports have decreased by 8 percent. But the export of manufactured goods rose 1 percent in real terms, and this demonstrates our capacity to compete. The Soviet and Latin American markets are closed now. These and the African market have not recovered, but they will. After all, Argentina is a rich country and in a few months it will be importing normally again. Chile will get straightened out and so will Mexico.

O GLOBO: They cut down imports just as Brazil is doing.

Delfim: That's true. We have a substantial reduction in imports, as much as 14 percent in physical volume. We will end 1982 with a surplus of $600 or $700 million. This is really far below the $3 billion we expected, but the important thing is that we did all that we could.

O GLOBO: What cannot be understood is that the government and the businessmen made a great effort to increase exports, and there came a group of phony tourists playing the "ghost trip" game, thus causing, according to Finance Minister Ernane Galveas, an outflow of some $300 million. The trade balance surplus has barely surpassed $300 million so far.

Delfim: A country like Brazil cannot afford that luxury. It was something really absurd. The truth is, however, that the tourist dollar account is not part of the trade balance account. That was an obvious abuse, because we had 2,000 or 3,000 people leaving Brazil on Friday to go to Disneyland and returning the next week. An entirely absurd maneuver. So we put a stop to that, because somebody was subsidizing those trips. But I did not belive that those phony tourists carried away $300 million. They could have if we did not adopt the measure we did, taxing the tourist dollar and stopping the delivery of dollars for travellers here in Brazil.

O GLOBO: Minister, isn't the exchange market in turmoil?

Delfim: No, I do not believe so. It is in turmoil for the people who operate in the black market. They have the impression that the black market represents something. The black market is very small. We really had an arbitration of exchange among the dollar, the Argentine peso and the cruzeiro. As long as the internal inflation in Argentia did not rise enough to match the devaluation of the peso, the value of the peso for that operation was advantageous. When devaluation and inflation met, it was no longer advantageous.

O GLOBO: Doesn't that speculation in the exchange market worry the monetary authorities?

Delfim: That is of no importance.

O GLOBO: Don't they worry about speculation in negotiable papers?

Delfim: That speculation, my God, is marvelous! Look! As long as we sell our papers well, we are picking up cruzeiros that are floating around. Thus, I will be doing my job precisely. Spread this information among the speculators, please!

O GLOBO: Is there a large margin for the government to float papers? Aren't we approaching the saturation?

Delfim: Ah, we are still far from any limit. What matters is the public debt-GDP ratio. This ratio is important, not the values. The case of the National Treasury readjustable notes (ORTN) with only 5 or 6 percent interest brings me joy. This is one of my greatest joys. I issue my notes and let anybody buy them. I really feel enthusiastic. This partly solves our problems because we are in need of a lot of money to finance agriculture, to stockpile food, and to pay the contractors of government projects.

O GLOBO: How will the world bear the credit crisis?

Delfim: It will. It is very difficult to have a clear idea about what will happen, but surely the world will not come to an end. One may have greater difficulty, but the road is open as soon as one realizes that he can change the crisis with someone else. The world is amid an entanglement that will not be unravelled very soon or very easily. The Western world may have 30 million unemployed and the socialist world may perhaps have just as many. The most difficult forms of social organizations are paralyzed, as is the case of the PRC. People and governments sometimes overreact, as is the case of Japan, which, because of a budget deficit, decrees a state of economic emergency and mobilizes the entire country. We are witnessing an exacerbated political reaction against the government in the FRG with the intent of disturbing an administration which can be credited with the great success of having maintained a relatively low rate of unemployment, of having held down inflation and of having solved the problem with the balance of payments. A socialist government in France, which came to power to solve all the problems, 18 months later is still coping with the same -- and even aggravated -- problems. The truth is that there is no trick to solving those difficulties. But despite all that, the world will continue to move.

O GLOBO: When do you expect the U.S. economy to begin recovering?

Delfim: Deep down, the Americans are giving an answer. For years we have gone to the international organizations to dress down the Americans: "Put your house in order, you rascals. You are issuing money at will, letting the dollar devalue. This spree must end." Mostly the Europeans gave Homeric lessons of morals to the Americans. And suddenly the Americans decided to put their house in order, then we discovered that the United States is a respectable elephant caged in a two by two room. When it moves it moves its tail, the partners either jump up to the chandelier or out the window.

O GLOBO: With all that, what do we produce and for whom?

Delfim: We have people unemployed, capital unused, energy and demand available. We have all the conditions to produce. We just do not have the opportunity to produce, to turn the machine on. We are in a world lacking everything. Wouldn't it all be more simple if the world resumed a 4 to 5 percent growth rate per year? We easily have demand for that growth. India, Pakistan, Asia, Europe, the United States and Africa have. We joke, but the United States' showing signs of life means everything for the Brazilian economy.

The world was growing normally, then we ran into some trouble, the first time in 1971 with the unlocking of the dollar from the gold standard. Thereafter, we had growing disarray, but nothing too bad for the world. Now we only have financial disarray caused by a huge accumulation of indebtedness, which gave rise to uncertainty and instability of major proportions. There is no security anywhere today. There is no investor or enterprise interested in expanding investments. Sometimes I laugh when I hear someone say: "Can you imagine that nobody in Brazil is investing." Not in Brazil alone. Nowhere in the world is anybody investing. Why? On account of that uncertainty that is inimical to investments.

O GLOBO: But don't you have a theory to the effect that if countries compensate for their difficulties, prosperity will return?

Delfim: If we exchange crises, each will have one. Any crisis that becomes a crisis in common goes away. That part of the crisis in common between two countries which understand this idea and act accordingly can thus be solved. Next there is the crisis with a third country. That's surely the way. Now everything is simple but more complicated than it seems. There is a lot of insubstantial rhetoric. Up until now, nobody has tried to deal with the substantial problem of how to confront the crisis over the short term. There is an IMF meeting in Toronto, and what do the bankers do? They do not adopt any measure. Nothing, not even a speech pointing to the right direction; only academic speeches. Then everybody returns home and each one continues to work for himself. Nothing has happened.

FILL, CORRECTION TO PRESIDENT'S UN SPEECH

The following fill and correction to the item entitled "Figueiredo's Address to UN General Assembly," published in the 28 September Latin America DAILY REPORT on page D 1, are supplied from FOLHA DE SAO PAULO of 28 September:

Page D 4, the penultimate paragraph should read: Because of defective decisionmaking mechanism, financial forums come up with and sometimes implement -- against the will of the majority -- measures which restrict the flexibility of operations, increase requirements and unjustly discriminate against developing nations.

Page D 6, second paragraph, line four should read: The stiffening of financial flow... [clearing queried word].

ROJAS GALDAMES ON UN TALK WITH AGUIRRE LANARI

PY291728 Santiago Domestic Service in Spanish 2300 GMT 28 Sep 82

[Text] The Argentine and Chilean foreign ministers have agreed on the need to improve relations between the two countries.

Juan Ramon Aguirre Lanari and Rene Rojas Galdames held their first meeting at the UN Headquarters today.

During the meeting, which lasted for over an hour, they discussed a number of political, economic, bilateral and regional subjects in a very cordial and friendly atmosphere, according to what the two foreign ministers said at the end of the meeting.

Foreign Minister Rojas Galdames said that the dialogue was very positive and expressed the belief that it will benefit the friendship between the two countries. He added that the two nations are in agreement regarding the problems that the region is experiencing.

Rojas Galdames also stated that Aguirre Lanari and himself are satisfied with the step that was taken on extending the 1972 treaty because it shows the confidence that Argentina and Chile have in the papal mediation. Rojas Galdames added that the necessary efforts to attain a positive outcome to the mediation will continue to be made.

The Chilean foreign minister expressed his belief that the extension of the 1972 treaty makes it possible to review the relations which were somewhat adversely affected in the past.

INTERIOR MINISTER ON OUSTED POLITICIAN'S RETURN

PY291732 Santiago Domestic Service in Spanish 2300 GMT 28 Sep 82

[Report from Government House]

[Excerpts] In view of the announcement that was made by ideologist Jaime Castillo Velasco [a former justice minister and a member of the Christian Democratic Party who was expelled for violating the political recess] that he will return to the country, Interior Minister Enrique Montero has stated that there is a resolution in this regard which must be observed. For this reason, all the necessary means will be implemented so that this resolution is observed.

The interior minister remarked that the Supreme Court made a decision in this regard, and that Castillo Velasco cannot reenter the country because the court's decision is final.

In a conversation with the journalists accredited to Government House, the interior minister reasserted that the political recess must be observed while it is in force.

[Begin Montero recording] We will take the pertinent measures to punish those who violate the political recess. This does not mean to say that the possibility of raising objections and of dialogue does not exist in Chile. However, the political recess is something [word indistinct]. There is no political activity in the country at present. [Words indistinct] this activity will be guided in due time by a law, which is provided for in the Constitution. [end recording]

VICARIATE OF SOLIDARITY REPORTS 1982 ARRESTS

PY291730 Paris AFP in Spanish 2217 GMT 24 Sep 82

[Text] Santiago, 24 Sep (AFP) -- The Vicariate of Solidarity of the Chilean Catholic Church today reported in Santiago that 667 opponents of the Chilean military regime were arrested in the first 8 months of this year.

The pro-human rights organization, which provides legal aid to persons arrested and tried for political reasons, indicated that during this time several government agents were reported for resorting to torture.

The most recent of those cases unleashed a wave of protests when student leader Marcela Palma of the Catholic University said that she had been kidnapped and raped by three unknown persons who held her in some secret place.

The Vicariate reported that of the 667 persons arrested as of 31 August, 447 were taken in roundups that took place mainly during street demonstrations, while the other 220 were arrested individually.

BRIEFS

TRADE WITH ITALY -- The government has reported that trade between Chile and Italy has increased 23.5 percent. This represents an increase from $289 million to $356 million. [Santiago Domestic Service in Spanish 1030 GMT 28 Sep 82 PY]

GOVERNMENT'S TERMS FOR AMNESTY REPORTED

PA291500 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 29 Sep 82

[Text] Bogota -- The congressional debate on the amnesty to be granted rebels or those currently on trial or already sentenced for political crimes or crimes related to rebellion, sedition and rioting will open tomorrow with a draft of articles that has been submitted by the government to pinpoint the scope of the pardon.

The executive branch has outlined its position to the legislative branch in a draft that contains some changes to the bill submitted by Senator German Bula Hoyos, who feels that the draft does not stray from the fundamental idea of returning the rebels to ordinary civil life.

The government explains that it supports full amnesty for rebellion, sedition and rioting and for common crimes committed for the purpose of abetting or procuring the achievement of the main goal of the political crime. It specifically asks for the exclusion of some crimes, such as first degree murder, crimes committed with extreme cruelty or against defenseless persons, and common crimes like rustling, robbery and arson, which are normally committed by armed bands of common criminals for purposes other than political.

The government asks Congress to amend Article 202 of the criminal code to increase from 2 to 5 years the penalty for carrying, selling or illegally dealing with weapons exclusively reserved for the armed forces. It also asks that the state be relieved of any civil liability and asks for powers to make budget appropriations so as to give economic and social assistance to rebels who return to normal life. In addition, it announces plans to supply the police with adequate means to expand their capability to fight insecurity.

Debate in the First Constitutional Commission and the committees of the Senate and Chamber of Representatives will open today at 1000 in the (Boyaca) Room of the National Capitol. The justice, defense, government and communications ministers will participate as spokesmen for the government.

STUDENTS HOLD 20 HOSTAGE IN IBAGUE CATHEDRAL

PA291245 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 29 Sep 82

[Text] Ibague -- Approximately 50 hooded and apparently unarmed students of the University of Tolima have just seized Ibague's metropolitan cathedral, police have confirmed. The police noted that the university students violently broke into the cathedral while the national [words indistinct]. The students then closed the doors and are holding some 20 people virtually hostage. The seizure took place at 0710 today. No major disruptions of public order have occurred so far.

BRIEFS

AGREEMENT WITH EL SALVADOR -- Bogota -- Colombia and El Salvador today signed an economic and trade cooperation agreement and an agreement for the establishment of a line of credit between the Colombian Export Promotion Fund and the Salvadoran Central Reserve Bank for the export of Colombian products to El Salvador. The documents were signed during a ceremony presided over by Foreign Minister Rodrigo Lloreda Caicedo and Salvadoran Deputy Foreign Minister Alejandro Gomez Vides. [Bogota Domestic Service in Spanish 2330 GMT 27 Sep 82 PA]

ROLDOS CALLS FOR GOVERNMENT CONTROL OF TRANSPORT

PA291603 Buenos Aires LATIN in Spanish 0515 GMT 29 Sep 82

[By Jorge Aguirre]

[Excerpts] Vice President Leon Roldos yesterday evening proposed that the Ecuadorean Government "take control of paralyzed public transport units so that this service may be reinitiated."

Roldos, who heads the National Development Council (Conade), told LATIN-REUTER that "under present circumstances, the executive has the capacity to exercise authority. The lockout must be broken by exercising the government's authority because this is one of those cases in which the executive must exhibit its authority."

Roldos admitted that the Constitution guarantees freedom of expression, but noted that this freedom "gives no one the right to interrupt a public service that is in private hands, as in the case of the transport service, which is guaranteed by the government."

Roldos told this news agency that it is possible that the revenue derived by the drivers has been reduced, and reiterated a "compensation" proposal, based on a Conade study, of a 25-percent fare increase on holidays only.

HURTADO FAVORS REGIONAL ECONOMIC STRATEGY

PA292005 Quito Voz de los Andes in Spanish 1130 GMT 29 Sep 82

[Text] President Oswaldo Hurtado has made a call in Guayaquil for the revitalization of SELA as an instrument to help in overcoming the crisis in the region. At the inauguration of a seminar on democracy in Latin America in the 1980's with the participation of regional political leaders, Hurtado said that SELA should be the organization to define the actions that will enable us to confront the international economic crisis at the lowest possible cost.

The Ecuadorean president reiterated the necessity of resurrecting the procedure of holding regional negotiations with the industrialized world on a multilateral basis, noting that industrialized countries have made problems worse with their policy of protectionism, high interest rates and tight credit.

Hurtado also recalled the importance of the Colombian initiative of convoking a meeting of Latin American and Caribbean countries' presidents to outline a common strategy for the continent in order to face the crisis.

In referring to the nature of the present economic situation in the region, Hurtado said that it affects countries with collectivist [colectivistas] regimes as well as countries with neoliberal policies.

At the inauguration of the international seminar, President Hurtado also noted that at this time, dialogue between politicians, businessmen and workers is essential in order to avoid the same mistakes that led the country to dictatorship in the past. He added: I refer to the responsibility that we politicians and the democratic political parties have in protecting the institutional regime, which has been destroyed in many cases by irresponsibly carrying political conflicts to extreme situations which end up in violations of the constitution and the law. This happens when there are attempts to replace the free expression of people's will with terrorism, violence or arbitrary actions, or when legal norms are ignored or Manichaean policies divide parties into irreconcilable bands.

FOREIGN MINISTER LEAVES FOR UN ASSEMBLY

PA291600 Quito Voz de los Andes in Spanish 1130 GMT 29 Sep 82

[Text] Ecuadorean Foreign Minister Luis Valencia Rodriguez disclosed that he will mention the present territorial dispute between Ecuador and Peru in the speech he will deliver on 6 October at the United Nations, presently holding its 37th General Assembly.

In a brief statement before leaving for the United States, Foreign Minister Valencia said that he will meet with Latin American foreign ministers during his stay in New York to consider initiatives that will help in strengthening regional unity, and will also hold meetings to learn about the position of territorialist [as heard] countries and the attitude they will adopt regarding the signing of the Law of the Sea agreement at the Jamaica meeting.

Valencia said that he will basically meet with the foreign ministers of Andean Pact countries, as well as with several foreign ministers from Asia, Africa, Europe and nonaligned countries.

AMBASSADOR TO OAS DISCUSSES U.S. EXCLUSION

PY291551 Asuncion ABC COLOR in Spanish 27 Sep 82 p 7

[Excerpts] Dr Mario Lopez Escobar, Paraguayan ambassador to the OAS and to the U.S. Government, has highlighted in a talk with this daily the most important subjects that will be debated during the OAS General Assembly in Washington in November. The meeting will begin at the OAS headquarters in Washington on 5 November.

According to the strictly personal point of view of the Paraguayan diplomat, "The meeting may become 'hysterical' instead of 'historical' unless it is sufficiently well planned and guided by the foreign ministers." He referred to some critical topics -- such as the Malvinas issue -- which have already been thoroughly debated on earlier occasions but are still under discussion.

Ambassador Lopez Escobar said that Paraguay is concerned with a matter dealing with the OAS: "One of the most important things is whether there will be an OAS with or without the United States. Personally, I believe that it is incongruous to think of the interruption of the North-South dialogue, which is possible thanks to the OAS, through the exclusion of that great country which, like any country or any person, has many virtues and many faults. In the present conditions of bilateral and multilateral relations, it is absolutely impossible for an OAS or an inter-American system to survive without the United States.

He added that "There is some specific proposal by some governments, but in my opinion it is ill-advised and unrealistic because the United States is the largest contributor. The largest contributors are Venezuela, Mexico, Argentina, Brazil and the United States. The latter country leads with a participation of 66 percent."

He explained that this current emerged after the conflict in the South Atlantic, which caused "a sort of distrust." Lopez Escobar believes that "the OAS should be modernized. Maybe the OAS Charter should be seriously studied. It ought to be revised. Even the Catholic Church has been capable of updating itself, so why not the OAS? But in no way through exclusions, but rather through inclusions."

BRIEFS

TRADE BALANCE DEFICIT -- According to the last report issued by the Central Bank, the trade balance for the first 7 months of this year shows a deficit of $82,207,500. According to the report, during the first 7 months of the year, Paraguay exported goods worth $240,798,000 FOB and imported goods worth $323,005,500 FOB. During this period, Paraguay purchased 23.9 percent of its goods from Brazil, 21.4 percent from Argentina, 10.7 percent from Algeria, 9.2 percent from the United States, 6.6 percent from Germany and 5.4 percent from Japan. [Asuncion HOY in Spanish 7 Sep 82 p 8 PY]

MINISTER TO FRANCE -- Paraguayan Industry and Commerce Minister Delfin Ugarte Centurion left for France yesterday to meet with representatives of that government and private sector. Ugarte Centurion will reportedly meet with his French counterpart to seek the implementation of the bilateral agreement signed by the two countries in the industry and commerce sectors. [Asuncion ABC COLOR in Spanish 20 Sep 82 p 8 PY]

AGREEMENT WITH JAPAN -- Paraguayan Agriculture Minister Hernando Bertoni and Minoru Nakagawa, deputy director general of the Japanese Agriculture, Forestry and Fisheries Ministry, signed a technical cooperation agreement this morning which amounts to 400,000,000 yen ($2 million. This contract will allow the implementation of a rural development plan in the area of the future Yacyreta dam where approximately 14,000 hectares of land are expected to be recovered through drainage and irrigation. [Asuncion ULTIMA HORA in Spanish 22 Sep 82 p 12 PY]

GOVERNMENT OFFICIALLY JOINS NONALIGNED MOVEMENT

PA290416 Madrid EFE in Spanish 0339 GMT 29 Sep 82

[By Miguel Gil]

[Excerpts] Caracas, 28 Sep (EFE) -- As of today, Venezuela is formally a member of the "Movement of Nonaligned Countries," an official communique released in this capital has announced.

Venezuela's presence in this group of countries was expected for some time by various political sectors, who viewed its entry into the movement with sympathy.

On various occasions, Venezuelan representatives attended nonaligned meetings as observers, but without having the right to take part in the resolutions adopted.

At the last meeting held in Havana, Venezuela sent a high level delegation headed by Manuel Perez Guerrero, former minister of international economic affairs.

Last July, President Luis Herrera Campins very briefly announced the intention to have his country formally join the Nonaligned Movement.

Some political leaders said that Venezuela did not need to belong to the "Nonaligned" Movement because the movement has "a marked inclination toward the socialist-bloc countries."

Venezuela currently maintains its claim to the Essequibo territory in the face of Guyana, a country which also belongs to the nonaligned group.

At the meeting in Havana, the Guyanese Government asked the other members of the movement to agree to condemn Venezuela for restating its territorial claim.

The Guyanese proposal was not greeted favorably, and the group only agreed to urge the governments of the two countries to find a peaceful solution to their dispute.

That resolution was well received in Caracas, where sympathy for the group increased until President Herrera announced the official inclusion in July.

This inclusion is already a fact and now both Guyana and Venezuela are members of the same organization which, in the opinion of diplomatic observers, might play an important role in solving the border conflict.

The brief news of the Venezuelan inclusion in the Movement of Nonaligned Countries has elicited no major comment from the various political sectors.

FUEL OIL PRICE INCREASES TWICE IN MONTH

PA280435 Paris AFP in Spanish 1923 GMT 27 Sep 82

[Text] Caracas, 27 Sep (AFP) -- The state-owned Venezuelan Petroleum Inc announced today that Venezuela has increased the price of its fuel oil for the second time this month.

The increase, ranging from $0.75 to $1.25 per barrel, will become effective tomorrow, Tuesday, and will pertain to low-sulphur fuel oil, the kind in most demand on the U.S. and European markets at this time of the year. On 11 September, the price of a barrel of fuel oil increased by $0.50. Venezuela has nine fuel oils graded according to their sulphur content. With this increase, prices now range from $25.06 (for oil with 2.8 percent sulphur) to $32.45 (for oil with 0.3 percent sulphur).

DE LA MADRID TO MEET WITH REAGAN 8 OCTOBER

PA281227 Paris AFP in Spanish 1139 GMT 28 Sep 82

[From the Radio Bulletin]

[Text] Mexico City, [no date given] -- The Institutional Revolutionary Party has announced that Mexican President-Elect Miguel de la Madrid will meet with U.S. President Ronald Reagan on 8 October in San Diego, California.

PRI Communique on Plans

FL281310 Mexico City NOTIMEX in Spanish 0205 GMT 28 Sep 82

[Text] Mexico City, 27 Sep (NOTIMEX) -- Mexico's President-Elect Miguel de la Madrid and U.S. President Ronald Reagan will meet informally on 8 October in San Diego, California, the PRI announced today.

A party communique said the meeting will be informal, with no predetermined agenda and according to an old tradition by which the presidents-elect of either Mexico or the United States meet with the current president on relations with the neighboring country. The communique added that Mexico's president-elect had accepted an invitation made by the president of the United States through a personal letter.

A similar meeting took place between President Jose Lopez Portillo and then President-elect Ronald Reagan on 5 January 1981 in Ciudad Juarez, Chihuahua.

The communique stated that through these meetings dialogue and communication between the two countries are promoted at the highest level and contribute toward direct understanding in an atmosphere of the mutual respect and dignity which should govern relations between nations and friends.

TRUSTEESHIP SET UP TO RECOVER CAPITAL ABROAD

FL281119 Mexico City NOTIMEX in Spanish 0453 GMT 28 Sep 82

[Excerpt] Mexico City, 27 Sep (NOTIMEX) -- The Secretariat of Programming and Budget [SPP] announced today that a trusteeship had been established by presidential decree so that persons or corporations in our country may recover real estate abroad.

The decree, to be published tomorrow in the official government daily, will go into effect the day following its publication. It lists the SPP as the founder of the trust, the National Bank of Foreign Trade as the trustee, and the federal government and persons and corporations which avail themselves of the benefits of the decree, the beneficiaries.

The SPP announced that the decision was made because a significant portion of the nation's savings had gone abroad with the purchase of real estate. This had affected the country's economy. It added that foreign exchange had been sent to financial institutions abroad and therefore it was necessary to return this capital to Mexico for the production of goods and services in the nation's benefit.

Capital Flight Estimated

FL291130 Mexico City NOTIMEX in Spanish 0435 GMT 29 Sep 82

[Text] Mexico City, 28 Sep (NOTIMEX) -- Real estate transactions carried out in the United States by Mexicans could amount to 25,000, which would imply a currency flight of at least $8 billion, the legislative committee in charge of determining the flight of capital estimated today.

Leopoldo Ortiz Santos, a member of the committee appointed by the Chamber of Deputies, said that according to a poll taken of 30 U.S. cities, real estate transactions by Mexican nationals could reach $20 billion, payable in installments.

Although the legislator explained that these figures are not exact, he said that the committee will determine the number of transactions made between 1981 and 1982 by this coming Thursday. The objective of the committee, he emphasized, is to achieve the repatriation of capital and to legislate to prevent future flight.

Legislative Remedies Sought

PA291535 Mexico City International Service in Spanish 0200 GMT 29 Sep 82

[Text] Deputy Leopoldo Ortiz Santos has estimated that the flight of capital for the purchase of property in the United States amounted to $20 billion from 1981 to this year. The legislator, who is a member of the Chamber of Deputies' commission investigating the flight of capital, said that in that period of time, a group of Mexicans carried out 25,000 real estate transactions in various U.S. cities.

Ortiz Santos indicated that the previous figures are just estimates and that it will not be until Thursday that definite figures will be released as part of the results of investigation by the legislative commission. Ortiz Santos said that the objective of the commission is to obtain the repatriation of capital and to legislate so that this situation which harms the national economy will not occur in the future.

Meanwhile, in its session today, the Chamber of Deputies received a bill asking for a freeze on bank deposits made by Mexicans in the United States. The bill, presented by the congress of the State of Coahuila, also recommends that real estate purchased by Mexican citizens in U.S. territory in the last 10 years be confiscated [as heard].

Meanwhile, Senator (Mirna Hoyos de Navarrete) of Yucatan and Senator (Miguel Jorge Marti) of Quintana Roo said that the list of Mexicans who acquired real estate abroad will be publicly released. On his part, Senator (Rigoberto Ochoa) of Nayarit demanded the publication of the list of people who have taken dollars out of the country, which is currently held by the congress.

REGULATIONS ISSUED ON PAYING FOREIGN DIVIDENDS

PA291615 Mexico City International Service in Spanish 0200 GMT 29 Sep 82

[Text] The Patrimony and Industrial Development Secretariat [Sepafi] today announced procedures that must be followed by companies which pay profits or dividends with foreign currency. In a circular published today in the Official Gazette, it established that the payment of profits or dividends abroad will be subject to the availability of foreign exchange in the Bank of Mexico.

In order to obtain the foreign exchange to make those payments, the enterprises must register their commitments at the Directorate General of Foreign Investments and Transfer of Technology of the Sepafi. The enterprises must present a copy of the record of the last general assembly of their stockholders in which dividends or profits were ordered, as well as the names of the stockholders with right to those dividends abroad and indication of the capital to be sent abroad.

The circular establishes that if the Bank of Mexico does not have foreign exchange available, the enterprise can open a special account in the country's banks with the equivalent of their obligation in national currency at the ordinary rate of exchange in favor of the beneficiary, so that once the foreign exchange is available these amounts can be remitted.

OIL BARTER FOR BRAZILIAN DEBT SEEN POSSIBLE

PA281435 Buenos Aires LATIN in Spanish 0843 GMT 28 Sep 82

[By Walker Simon]

[Text] Mexico City, 28 Sep (LATIN-REUTER) -- The heads of the Mexican and Brazilian state petroleum enterprises are meeting in Rio de Janeiro today. Petroleum industry observers believe that they will discuss a new idea through which Mexico would pay off its debt to Brazil with petroleum.

Rodofol Moctezuma Cid, director of Pemex, the Mexican petroleum monopoly, left on Sunday to meet with Petrobras Director Shiegaki Ueki today, a Pemex spokesman has told LATIN-REUTER.

Spokesman Fernando Aguilar said that he could not deny or confirm reports that the executives will discuss a plan through which Mexico would pay with crude its debt to Brazil, which Brazilian newspapers estimate amounts to $250 million. Moctezuma Cid's trip to Brazil follows one that Ueki paid to Mexico last week.

GAZETA MERCANTIL, a prominent Brazilian newspaper, said on Friday that Ueki's visit was to explore the possibility of having Mexico exchange its petroleum for Brazilian products and to settle its debt with Brazil. An industry official said in Mexico City last week that Moctezuma Cid would discuss such a plan in his scheduled trip to Brazil.

A Pemex press spokesman has said that Mexico is currently exporting about 57,000 barrels of crude a day to Brazil. At the current average price of $28.5 a barrel for the Mexican crude, Mexico could use its petroleum to settle its $250 million debt in less than 6 months at the present export level, banking sources have estimated.

The Petrobras director has refrained from making any public statement on such a deal with Mexico, but in a recent Brazilian article he said that although exchange contracts are not considered an ideal type of trade, they are being used by many countries to overcome the lack of liquidity in the international financial markets.

Since August, Mexico, which is experiencing a serious shortage of foreign exchange, has been unable to refinance its foreign debt of $80 billion, the world's largest.

Pemex Denial

FL291024 Mexico City NOTIMEX in Spanish 0156 GMT 29 Sep 82

[Text] Rio de Janeiro, 28 Sep (NOTIMEX) -- Pemex Director General Julio Rodolfo Moctezuma Cid today denied that Mexico intended to pay its debt with Brazil with Mexican oil.

In a statement to the Brazilian press, Moctezuma Cid explained that the estimated $250 million owed by Mexican companies to their Brazilian suppliers will be paid in cash and not with oil, as financial circles in Brasilia have been commenting for the past week.

The Pemex director, who's in Rio de Janeiro to meet with Petrobras President Shiegaki Ueki, asserted that the two countries are studying the way to increase their trade in order to improve their respective balance of payments.

Moctezuma Cid, however, did not indicate the additional amount of petroleum that his country might sell Brazil. He added that Mexico is ready to import from Brazil equipment that it previously bought from other countries, although he made clear that the topic of Mexican foreign trade does not concern the company he heads because Pemex is involved exclusively with oil matters.

LABOR SETS 30 SEP DEADLINE FOR WAGE DECISION

FL291107 Mexico City NOTIMEX in Spanish 0321 GMT 29 Sep 82

[Text] Mexico City, 28 Sep (NOTIMEX) -- The leader of the Confederation of Mexican Workers [CTM] has reported that the organized labor movement has decided to grant a Thursday deadline for the business sector to set a new wage adjustment. Speaking at a press conference, Fidel Velazquez said that it was in no way advisable at present to speak of strike summons because that would complicate negotiations with the organizations representing the top business leadership. He indicated that official notes had already been circulated among the organizations affiliated to the CTM to initiate strike summons if there was no agreement by Thursday, 30 September.

Rejecting the idea that percentages would be granted, Fidel Velazquez explained that the wage increase would have to be based on the loss the workers experienced from January to July because of increases in the price of bread, gasoline, milk, (?eggs) and electricity, among other items. Fidel Velazquez noted that the economic means of the companies had been taken into consideration along with the country's economic situation, but that the basic consideration was the needs of the workers.

PEMEX TO MAINTAIN CURRENT OIL EXPORT PRICES

PA261435 Mexico City International Service in Spanish 0200 GMT 24 Sep 82

[Text] Pemex is going to maintain its oil export prices. Pemex announced today that its oil export prices will remain at $32.50 per barrel of light type oil, Istmo, and $25.00 per barrel of heavy oil, Maya, for the eighth consecutive month. Pemex reiterated that its prices are still competitive in the international market and are in no way below the [word indistinct] of other exporters.

UK TO GRANT $2.5 BILLION FOR INDUSTRIAL PORTS

FL272258 Mexico City NOTIMEX in Spanish 2017 GMT 27 Sep 82

[Text] Tampico, Tamaulipas, 25 Sep (NOTIMEX) -- England's Bank of London will grant a $2.5 billion line of credit to Mexico for development programs in industrial ports, the president of the Mexican-American Industrial Chamber of Commerce announced here today.

During the third meeting of the Mexican Hotels Association, which began on 23 September, John Coronado pointed out that the loan will be earmarked mainly for projects in the port of Altamira, Tamaulipas, which is under construction and in the ports of Laguna de Ostion, Veracruz, and Lazaro Cardenas, Michoacan. He stressed that Mexico is a solvent country and will always have international financial support.

SOVIET COMMERCIAL RELATIONS SEEN AT LOW POINT

FL271545 Mexico City NOTIMEX in Spanish 2305 GMT 25 Sep 82

[Text] Mexico City, 25 Sep (NOTIMEX) -- Gustavo Romero Kolbeck, Mexico's ambassador to the USSR, said today that commercial relations with the Soviet Union are at one of their lowest points. The former director of the Bank of Mexico, who left for the Soviet Union today, said that several projects are now in progress to provide more balance in relations between the two countries, since so far they have always resulted in a loss for Mexico.

Enrique Savinac, under secretary of finance and public credit, today left for Japan to participate in an IMF meeting. Mexico is experiencing difficulties and it is expected to obtain the confidence of the countries of the world to shore up the Mexican economy, said Savinac. He added that the results of this meeting and the IMF's position on Mexico's financial problems will not be divulged until he returns.

RESPONSES TO DE LA ESPRIELLA'S WASHINGTON VISIT

PA300222 Panama City Televisora Nacional in Spanish 2300 GMT 29 Sep 82

[Passages in quotation marks recorded]

[Text] Spokesmen for various sectors voiced their opinion on President de la Espriella's trip to the United States.

Eduardo Rios, leader of the construction workers sector, said:

"We feel the president's trip is economically and politically important because it can contribute to improving the nation's economic situation. In the political area, the president will be able to demand compliance with the treaties so that by the year 2000, the gringos may leave the country."

Carlos Hoffman, president of the Panamanian Industrialists Union, said:

"We think it is very important for two fundamental reasons: Because of the economic crisis affecting our country and the interest of President Reagan's administration in activating the area. We believe that considering the Canal's security, Panama plays an important role in the area."

Dulcidio Gonzalez, president of the National Council of Private Enterprise [CONEP], said:

"I think the trip is highly important. In the first place, there is evidence of rapprochement between two democrats: President Ricardo de la Espriella and U.S. President Ronald Reagan. Democracy must be led by democrats, men who believe in democratic principles. Therefore, we feel the trip is most important to Panama and to the Central America isthmus."

Manuel Meneses, secretary general of the National Federation of Panamanian Workers, said:

"Speaking as the representative of a labor organization of solid prestige in the country, we consider the trip most important. By making this trip, the president of the republic confirms the Panamanian position concerning compliance with the provisions of the Torrijos-Carter treaties, for which our people have sacrificed so much. Therefore, we believe President de la Espriella may rest assured that a large number of Panamanians support his mission, trusting he will never let them down. We must demand that the United States comply with the letter and spirit of the treaties, which guarantee the return of what belonged to us and what was managed by the United States."

(Gustavo Perez), acting president of the Chamber of Commerce and Industries, said:

"As a group, we consider the trip to be of utmost importance because, above all, it enables the president to hold a person-to-person dialogue with President Reagan in an effort to settle some aspects of the treaties which we consider are not being justly interpreted by the United States.

"The trip also gives the president an opportunity to discuss other bilateral treaties we have tried to complete for some time, but which have not yet been settled. Therefore, this personal contact with President Reagan could be most beneficial to both countries, especially to Panama."

FRAMPO PROPOSES AMENDMENTS TO CONSTITUTION

PA290300 Panama City CRITICA in Spanish 28 Sep 82 p 2

[By Mario Martinez Puente]

[Text] The Popular Broad Front Party (FRAMPO) suggested last weekend that the presidential term be reduced by one year. The party also expressed its support for the amendments to the Constitution. FRAMPO also proposed that the amendments to the Constitution be made through a 28 November referendum and that they should go into effect before the 1984 elections.

In another proposal, FRAMPO suggests that congressmen be chosen in direct popular elections. FRAMPO also proposes that mayors be chosen in direct popular elections and that they serve 3-year terms. It also suggests the establishment of two legislative chambers: The National Assembly of Corregimiento Representatives and the National Legislation Council.

FRAMPO said the National Legislation Council should have no fewer than 70 members, an average of 1 representative for each 15,000 voters. FRAMPO also says that the Constitution should make it the state's duty to establish an expense and investment budget for every community council, according to the number of inhabitants. The constitutional amendments should be proposed by a commission of honorable citizens appointed for this purpose, FRAMPO's Executive Committee suggested. This commission, FRAMPO says, should include representatives of the country's political parties.

FRAMPO feels that Article 2 of the Constitution should remain as stated so that the executive, legislative and judicial branches may function in harmonious cooperation with the National Guard.

ASSEMBLY PRESIDENT ON CONSTITUTIONAL AMENDMENT

PA300019 Panama City Televisora Nacional in Spanish 2300 GMT 28 Sep 82

[Statement by Luis de Leon Arias, president of the National Assembly of Corregimiento Representatives and of the Legislation Council at news conference at the Legislative Palace on 28 September -- recorded]

[Text] Regarding constitutional reforms, the drafters of the 1972 Constitution established the ways, mechanisms and resources by which constitutional reforms, modifications or adjustments can be made. Article 140 states that the National Constitution can be reformed in two ways: One way would be through a presidential legislative initiative, with the previous presentation of a bill with the constitutional reforms at the general session of the National Assembly of Corregimiento Representatives. The constitutional reforms would be discussed and accepted or rejected by the National Assembly of Corregimiento Representatives.

The other way establishes that the National Assembly of Corregimiento Representatives has the right to initiate constitutional amendments, changes or improvements. In other words, the Constitution establishes two ways it may be amended.

In 1978, the Constitution was amended by the executive branch. A group of Corregimiento representatives has been consulted and they are not opposed to the constitutional amendments if these are carried out to strengthen Panama's democratization process; if the amendments are for the good of the country; and if the amendments improve Panamanian democracy, making it more representative so that all Panamanians can participate in general elections and be made to feel securely protected by strictly democratic norms.

With regard to a plebiscite or referendum, the Constitution has no such provision. There are other constitutions: the French Constitution and others, which establish such a amendment procedure; however, the Panamanian Constitution does not.

So far, we still do not know which parts of the Constitution will be changed. Therefore, it is the concern of all Panamanians that we establish the norms of provisions for proceeding to amend the Constitution.

Meanwhile, the National Assembly of Corregimiento Representatives, through the political and legal commissions, is preparing a constitutional amendment bill which, among other things, proposes that the national budget is approved by the assembly. Presently, the national budget is approved by the cabinet, but according to international standards on the approval of budgets, this matter is the exclusive concern of the legislative branch.

COSTA RICA

COMMUNISTS, GOVERNMENT FEUD OVER BANANA STRIKE

PA291510 San Jose Radio Reloj in Spanish 1200 GMT 29 Sep 82

[Text] Yesterday there was more violence at the Bandeco [Banana Development Company] farms in Siquirres, with new confrontations between the public security force and the communist labor union leadership. As a result of this confrontation, a worker and a communist labor union leader were wounded.

The labor minister has charged that, according to the arrested communists, arms are being introduced into this area.

The government has made the communist deputy responsible for the violence going on in the Atlantic region's banana areas. Some workers have charged they received serious threats from communist labor union leaders urging them to join the strike.

Bandeco and communist labor union leaders will meet today with the Labor Ministry acting as mediator, in an effort to end this illegal movement. The government has made communist Deputy Freddy Menendez responsible for the violence going on in the Siquirres banana area. According to public security Ministry sources, this Popular Vanguard Party [PVP] deputy has been moving around that area since the beginning of the strike to agitate the workers and urge them to join the movement. It has been said that this communist deputy, as well as communist labor union leaders, are threatening workers wanting to return to work with aggression against them and their families.

More than 80 percent of the workers are at work in banana cutting and packing operations at the Bananitas and Carmen III farms, said Eugenio Solano Calderon, chief of labor relations at the Labor Ministry. He said that it is expected that today, with protection from the public security force, the Monte Libano workers will return to work, and for this reason a banana cutting project has been prepared. This labor official said that operations are normal in the mechanic and engineering shops of the Siguirres farms, with aid from the Civil Guard.

Bandeco labor union leader Carlos Arguedas has cautioned the Public Security Ministry about what could happen from now on as a result of the provocation from the public security force. We had been maintaining a peaceful attitude, he said, but yesterday afternoon the police entered the quarters of employees of the banana company at the El Carmen farm and fired at the workers there. He noted: If the situation changes, it will not be the fault of the strikers but of the government, which will not gain anything by wounding us.

The Labor Ministry maintains an equitable position of respect for the workers and the owners, Labor Minsiter Guillermo Sandoval has stated. He made this statement in referring to assertions by communist deputy Arnoldo Ferreto at the Legislative Assembly that his office is acting against the working class and the labor union movement.

Ths minister said that his ministry tries to maintain a position of mediation without having to side with any particular group, thus safeguarding the country's principles and trying to peacefully solve problems. He noted: With due respect, we cannot accept lessons from communist deputy Ferreto, who is trying to put us in an antilabor union position. He said his ideological and political position is one of commitment to social justice and the majority in the country, and the PVP leaders may not tell us the orientation and principles that must guide our work in the government.

Communist labor union leaders have gone too far in this strike -- not for labor reasons, but mainly for political reasons, Minister Sandoval said. The worst part, he said, is that in this case they are looking for someone to get them out of trouble after they precipated this movement -- going against the position of some leaders -- because of internal differences and conflicts within the communist leadership.

The minister said that now the communists find that the easiest way out is for the labor minister to become responsible for their inability to lead the movement and for the haste and lack of orientation of the workers.

The Labor Ministry will not be scared by threats from leaders of the communist party, Minister Sandoval said. He stated that his ministry will maintain the clear and equitable position the government must maintain at this moment. He said that based on his social democratic orientation and ideological principles, he will maintain his commitment to the working class and the popular sectors and that he does not need communist leaders to remind him about that.

FAILURE TO AGREE ON ENVOYS COOLS TIES WITH USSR

PA291940 San Jose LA NACION in Spanish 23 Sep 82 pp 1A, 4A

[Excerpt] According to presidential spokesman, relations with the USSR are at a critical stage because of Costa Rica's alleged refusal to grant its agreement for a new Soviet ambassador to San Jose. The Soviets have proposed two people to fill the post left vacant by Vladimir Chernishov in June 1981, but the Costa Rican Government has not granted its agreement in either case.

Meanwhile, Foreign Affairs Minister Fernando Volio has reported that no ambassador will be appointed to the USSR because of budget reasons. Since the previous administration, Costa Rican affairs in the USSR have been handled by a minister counsellor, who acts as charge d'affaires.

GOVERNMENT STEPS UP RADIO, TV COVERAGE IN NORTH

FL291731 Mexico City NOTIMEX in Spanish 0435 GMT 23 Sep 82

[Text] San Jose, 22 Sep (NOTIMEX) -- The Costa Rican Government will put several radio stations into operation to counter Nicaraguan stations, Information and Communications Minister Armando Vargas announced today. According to a technical study, Nicaraguan radio and television stations in recent years have dominated the northern region of Costa Rica, overpowering Costa Rican stations.

Though Nicaragua's new radio stations are more powerful than any of Costa Rica's, the Monge administrations will install radio stations within the next few days in (Capital de San Carlos), Nicoya, La Cruz, Upala, Los Chiles and (Barra de Colorado).

As for television, the government will probably increase the state channel's power in order to reach the towns of La Cruz, Penas Blancas, Puerto Soley, Santa Cecilia and others, and the television repeater will also reach Canas Dulces, Potrerillo, La Cruz [as received] and (La Argentina).

EL SAVADOR

GUERRILLA ACTIVITIES DECREASE IN SAN VICENTE

PA291945 San Salvador LA PRENSA GRAFICA in Spanish 28 Sep 82 p 40

[Excerpt] San Vicente -- The effectiveness of constant patrols in areas where guerrilla camps have been dismantled was pointed out yesterday by the 5th Infantry Battalion in this city.

Official sources say that the positive results of patrol operations, on highways and in rural areas, mainly in sectors where there used to be guerrilla camps, have not been long in coming. It was emphasized that the longed-for tranquillity has been achieved. Naturally, most of the achievements were possible "due to the determined cooperation of the people, who have reported the presence of rebel groups."

It was learned that highways throughout this department are free of danger from the guerrillas, and the rebel groups that previously attacked everywhere have decreased in number. The sources said they are sure that the danger to automobile traffic no longer exists and the people can move about freely.

SUBVERSIVES INVADE, ISOLATE SEVERAL TOWNS

PA291948 San Salvador EL DIARIO DE HOY in Spanish 28 Sep 82 pp 2, 42

[Excerpts] San Miguel -- The towns of San Gerardo, Sesori, Eden de San Juan and San Luis de la Reina are practically isolated due to terrorist attacks, according to reports from people who have been able to leave the area, north of San Miguel.

The people in those four towns cannot travel to nearby places due to lack of land transportation and because the offices of the National Telecommunications Administration, Antel, in those places have been either blown up or burned by the same terrorist hordes. As for postal service, it is obvious that there is none due to the difficulties in transportation.

Reports from Jocoro, Morazan Department, indicate that some 1,000 terrorists invaded the town yesterday at noon. The army is already enroute to the town from several directions. It is likely that clashes will ensue by nightfall in the area.

In addition, reports from Nueva Granada in Usulutan say the people are being constantly threatened by the terrorists. Farms and plantations in the surrounding areas are in guerrilla hands, to the extent that they have planted corn and cereals in many of them. The people said they will request official aid to recover their agricultural land and the peace they always enjoyed in their town.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Actions in Guazapa

PA291935 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 29 Sep 82

[Text] The following information was received from the Modesto Ramirez Central Front on Cerro de Guazapa.

On 22 September a group of fighters of the [word indistinct] detachment led by Companero (Gabino) attacked [passage indistinct]. On that same day a group led by Companero (Amilcar) carried out sabotage actions and blew up a powerplant at the San Franciso sugar-mill. This plant was destroyed. Our people continue with their activity.

On Friday, 24 September, a group of guerrilla fighters led by Companero (Edmundo) attacked an enemy position in (La Gasolinera), on the outskirts of the town of Suchitoto. Two casualties were inflicted on the enemy.

At 0500 on Sunday, 26 September, a guerrilla group led by Companero (Fermin) once again attacked this enemy position and inflicted another casualty on the enemy.

On Monday, 27 September, a guerrilla group led by Companero (Felipe) again attacked this enemy position. Another enemy casualty was reported. This attack took place at 0730. To this moment five enemy casualties have been reported as well as many wounded and the destruction of a powerplant.

We alert the residents of Suchitoto not to allow soldiers to be transported in buses or private cars, because these soldiers, in an irresponsible manner, open fire on our fighters and they don't care if civilians are caught in the crossfire. This information was sent from Cerro de Guazapa by Commander (?Raul) Hercules.

Fighting in Morazan

PA292010 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 29 Sep 82

[From the "News Bullets" feature]

[Text] FMLN forces entered the town of Jocoro, Morazan Department, early on the morning of 27 September. Heavy fighting with enemy forces was reported and control of the town was achieved that afternoon. This information was broadcast by Central American radio stations, which added that the attack on enemy positions began in the San Sebastian de Jocoro neighborhood and the surrounded enemy requested reinforcements from San Miguel. The reinforcements included Salvadoran Air Force planes and helicopters. Several casualties were reported in the enemy ranks. Unofficial reports cite eyewitnesses in the area who said that there had been heavy fighting and that they had been soldiers being transferred, apparently wounded, in military vehicles.

In San Vicente, FMLN guerrillas ambushed a military patrol in the town of (Los Morales), inflicting one death and two wounded. From another quarter it was learned that FMLN forces attacked the Aguilares military headquarters, 33 km from San Salvador. Several soldiers were killed. A military patrol was attacked when it was trying to reach Aguilares from El Paisnal headquarters. Four soldiers were wounded during this attack. Later, reinforcements were sent to the area from the 1st Infantry Battalion and they were also ambushed by the guerrillas.

Garcia Claims Belittled

PA292210 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 29 Sep 82

[Text] General Garcia is trying to pretend that he has begun a campaign to bring to judgement and punish those guilty of what he has called abuse of authority. But whenever he has tried to blame the national guard or soldiers for all the crimes, the maneuver has backfired and the accused have in turn charged that the murders were ordered by their superiors. This confirms that the death squads are made up by armed forces personnel directed by the high military command.

General Garcia, the defense minister, tries to pretend that those found guilty are being punished, especially in the case of the murdered U.S. citizens, since this would allow Ronald Reagan, back in the United States, to improve the image of the regime that country supports with military aid; aid that is of great importance for the survival of that regime.

But our people ask: What about Monsignor Romero's murderers? Doesn't the U.S. Congress have evidence that proves that D'Aubuisson is guilty of having planned this horrible crime? Where are the murderers of the Revolutionary Democratic Front companeros being tried? In what court are the murderers of more than 12 priests and religious workers being tried? Garcia's maneuver will be futile because he will not be able to fool international opinion. The abuse of authority, as he puts it, is practiced by the high command; an abuse of authority that has cost our people more than 35,000 lives.

GUATEMALA

DEFENSE MINISTER ON MEXICAN CHARGE OF INCURSIONS

PA291925 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Sep 82

[Text] The Guatemalan Government will make known its official position tomorrow regarding Mexican charges about alleged violations of the border between the two countries by Guatemalan troops.

Defense Minister Gen Oscar Mejia Victores today denied that Guatemalan soldiers have entered Mexican territory. [Begin Mejia Victores recording] [Passage indistinct] our troops have instructions and are aware of respect for property, in this case, Mexican property. [end recording]

Minister Mejia Victores accused the subversives of using tactics to provoke a confrontation between Mexico and Guatemala. [Begin Mejia Victores recording] (?Guatemala) is very respectful of the international [word indistinct]. We feel that we have enough problems without provoking one abroad. It is very probable that, in view of documents we have found on the subversives, they will try to use the tactic of provoking problems on the borders with neighboring countries so that we will have some confrontation or difficult situation with neighboring countries and they can gain advantage from this. [end recording]

The minister also said that there is no treaty to prevent these incidents between the two countries.

Meanwhile, the official Mexican news agency NOTIMEX, published a statement attributed to Julio Cesar Mendez Montenegro, Guatemalan ambassador to Mexico. According to the report, the diplomat accepted as a fact the alleged incursion of Guatemalan soldiers into Mexican territory. According to NOTIMEX, whose information is reproduced by UNITED PRESS INTERNATIONAL, Guatemalan Ambassador Mendez Montenegro yesterday admitted that Guatemalan soldiers crossed the border illegally and killed two Mexican peasants and a Guatemalan refugee, in a regrettable error.

Meanwhile, a spokesman of the Chiapas state government told UPI yesterday that authorities are investigating reports that the peasants in the isolated and dense jungle 800 meters south of Mexico [as heard] are arming to defend themselves from the incursions.

HONDURAS

OFFICIALS GIVE SPEECHES ON NAVY ANNIVERSARY DAY

President Suazo Cordova

PA282218 Tegucigalpa Cadena Audio Video in Spanish 1700 GMT 28 Sep 82

[Speech by Honduran President Roberto Suazo Cordova at ceremony commemorating the sixth anniversary of the Honduran Navy in Puerto Cortes on 28 September -- recorded]

[Text] Honorable Efrain Bu Giron, president of the National Congress; Carlos Manuel Arita Palomo, president of the Supreme Court; Gen Gustavo Adolfo Alvarez Martinez, chief of the Armed Forces; Col Jose Bueso Rosa, chief of staff; gentlemen of the government cabinet; Honorable deputies; members of the Armed Forces Supreme Council; honorable military attaches of the friendly nations accredited in our country; gentlemen of the U.S. military group; distinguished members of private enterprise; distinguished representatives of autonomous institutions; distinguished representatives of the written, spoken and televised press; distinguished church, civilian and military authorities of Cortes Department; Capt Ruben Humberto Montoya Ramirez, commander of the Honduran Naval Force; Lt Cdr Cristobal Cano, commander of the Puerto Cortes Naval Base; gentlemen officers, navy personnel, technical and auxiliary personnel of our naval force; special guests, ladies and gentlemen:

The Honduran Naval Force is the youngest component of our Armed Forces. Although illustrious precedents demonstrated that the country needed a navy, the country's naval force was not organized until 1976, thus completing the framework of our military institutions. It was logical that the institutional development of the Honduran Armed Forces be carried out in the naval area.

Our country, with coasts on two oceans, has for a long time been calling for the means to safeguard its sovereignty and heritage, particularly in these times when military technology makes it necessary for one to rely on certain essential equipment and knowledge to safeguard the homeland's air, land and seas. [applause]

However, our naval force must not merely be considered a unit for defense and combat. It must also be seen as a mechanism for development and for protection of that development. Honduras' territorial waters, its continental shelf, its patrimonial sea are resources whose great abundance we have just begun to discover. Therefore, it is essential that Honduras be guaranteed the rational and adequate exploitation of those resources to benefit our current population and the future generations.

There is no better way to guarantee the achievement of that objective than the development of our navy, in terms of protection of people and goods and in pioneer work in the field of exploration of and research on our marine wealth.

We must also bear in mind that Honduras has a significant portion of island territory that is linked to the mainland only by sea. Those Hondurans who live on those beautiful and solitary islands will be happy to know that both on the Atlantic and the Pacific there are naval units of our armed forces capable of giving them security and permanent and active contact with the rest of the country and the world, thus strengthening national integration. [applause]

In the 6 years of the Honduran Navy's existence, a brief period of intense navigation, there have been dangerous moments of armed confrontations. We have never sought or provoked these actions which have begun to place our navy in the annals of history. Today as in the past, as in the future and as always, we are peaceful people, but ready to defend what is ours at any sacrifice. [applause] Let us take this opportunity to pay homage to the first Honduran sailors who died for the honor of our homeland.

The Puerto Cortes and Mapala Naval Bases will soon have the support of new planned bases such as the one that will soon be established in Caratasca, Gracias a Dios Department. Our units will also continue to expand with new vessels such as the ones that we christened today. I hope that this will lead once and for all to the understanding of the essential unity among the people, government and armed forces because what we are establishing today and use in defense of the public interest and sovereignty can only be the product of a close understanding among those sectors. [applause]

The Honduran seamen sailing aboard the vessels of our naval force near or far from the Honduran coasts must always feel protected by the national flag and the shield of the republic. I do not hesitate to state that whatever the mission that these fellow countrymen carry out at the service of Honduras, they will raise the banner of the homeland's integrity, the armed forces' courage and honesty and their incontestable condition as Hondurans.

Whenever I have spoken on behalf of the government that I head at various armed forces events, I have stressed that we are living in difficult and turbulent times and that we must remain alert to defend and further strengthen our republican and democratic institutions.

Today in the face of the events around us I do not hesitate to say so again because I deeply believe that the best way to respond to internal or external organized violence is by strengthening and respecting the freedoms we have achieved with the support of the Honduran people and the armed forces. [applause]

My best wishes are that the youngest or our armed institutions will contribute to this objective.

With great happiness I express thanks for the donation of the vessel "La Paz" which will be used for fishing and transportation along the coasts of Colon and Gracias a Dios Departments. This donation responds to the request made a few days ago by the [word indistinct] association, an organization made up of black Hondurans who along with other groups comprise the unity of the homeland. Our dark-skinned people have to a great degree been left out of the benefits of the economic and social progress despite their great contribution to the greatness of Honduras in various fields of human activity. [applause] This is therefore a great effort in favor of these fellow citizens who need it and deserve it so much. I hope the name of the vessel, "La Paz," will be a prediction of a peaceful and prosperous future for this group of Hondurans.

On extending my warm congratulations to the Honduran Navy on its sixth anniversary, I want to take advantage of the opportunity to extend my greetings to its commander, Capt Ruben Humberto Montoya, as well as to its chiefs, officers, sailors, technicians and auxiliary personnel. I wish them a glorious career in benefit of the people and their institutions. Thank you very much.

Armed Forces Commander

PA291440 Tegucigalpa Cadena Audio Video in Spanish 2000 GMT 28 Sep 82

[Speech by Gen Gustavo Alvarez Martinez, commander of the Honduran Armed Forces, at ceremony on the anniversary of the Honduran Navy in Puerto Cortes on 28 September -- recorded]

[Excerpt] In the convulsed times that Central America is experiencing, Honduras, for geopolitical reasons, is not safe from the tide of subversion with which communism is attacking our peoples. For this reason, the tight unity of all the social, political and economic forces of the country will enable Honduran democracy to successfully struggle against the harbingers of crime and the advocates of terror who, with a tenacity more worthy of better causes, seek to bloody the national territory, bring anarchy to the republic, and replace the Honduran people's freedom with tyranny.

Peace among nations has traditionally been based on mutual respect and fulfillment of international treaties which call for recognition and respect of the countries' air, land and sea sovereignty and the maintenance of cordial relations that will permit cooperation for development.

However, that traditional concept of peaceful coexistence is being threatened by the direct intervention of international forces foreign to our way of life which constantly ignore our national sovereignty.

In truth we are soldiers of peace, but we will be the first to fight in defense of the fatherland. This is demanded by our patriotism and it is our unwavering duty to Honduras' democratic institutions. There can be no hesitation or ambiguous positions here. The armed branch of the people is ready, determined, watchful and with an excellent fighting morale; safeguarding the territorial integrity and the national sovereignty, and mounting permanent guard in the trenches of peace, justice and freedom of our people.

At this critical historic moment, I ask the Honduran people to understand that the responsibility for national defense and security is not only the responsibility of the armed forces and the government of the republic. It is also the responsibility of the people through their organizations and institutions; unions, peasant and business organizations, the professional associations, families, the church, and the common citizen. Therefore, invoking our God and on behalf of the institution I head, I issue a call for the unity of the Honduran family, asking it to reaffirm its democratic beliefs.

PAZ BARNICA SAYS EUROPE LIKES PEACE PLAN

PA292000 Madrid EFE in Spanish 2026 GMT 28 Sep 82

[By Enrique Ibanez]

[Text] Brussels, 28 Sep (EFE) -- Honduran Foreign Secretary Edgardo Paz Barnica stated today that the European countries should increase their backing of Central America to strengthen democratic institutions. Paz met yesterday and today with Belgian authorities. At a news conference today, before leaving for Spain, he explained the Honduran peace plan for Central America.

This initiative, which was presented by the Honduran Government to the OAS Permanent Council in Washington on 23 March 1982, has been favorably received in international sectors and, according to Paz, the European Community has viewed it with much interest. The Honduran plan, which was signed by seven American countries in San Jose, Costa Rica, in May, has two closely connected main points; effective pacification of the region and its economic enhancement.

According to Paz, who characterized the Brussels talks as fruitful, the plan's goal is to promote free, just, pluralist and democratic societies in all the countries of the region and absolute respect for the sovereignty and independence of each one. The Honduran official stressed the need for progressive demilitarization and disarmament, down to the limit necessary for national defense, as well as the need for international supervision in the region to assure compliance with the agreements reached by the governments. He also noted the importance of establishing the basis for a permanent and multilateral dialogue, for which the first step has been taken with the signing of the peace plan by seven countries, and the meeting to take place in San Jose, Costa Rica, on 4 and 5 October; a meeting that will be attended by 10 Central and South American foreign ministers.

The Honduran secretary referred to the participation of the European Community in the area, a participation, he said, that should not be only in the economic sphere. He stated: "Europe should have a more dynamic role to reestablish peace in the region and to back democratic institutions with its political influence."

"Once peace is reestablished in Central America, it will be possible to work for an economic and social expansion in which Europe can play an important role," he added.

The debate on aid to Central America continues among the Ten, with two well-differentiated ideas; that of the countries which believe that democratically "nonvalid" regimes should be excluded, and that of those who want the aid to be general, without exclusions.

NICARAGUA

NATIONAL MILITIA CHIEF PRAISES TRAINING PROGRAMS

PA291430 Managua Radio Sandino Network in Spanish 1200 GMT 28 Sep 82

[Text] Despite the difficulties encountered, classes -- and competitions in the assembly and disassembly of the VZ M-52 rifle -- in the Militia Instruction Centers [CIM] of this capital were sufficiently positive as of last Saturday. This was reported by Capt Ivan Garcia, chief of the National Militia section of the EPS [Popular Sandinist Army]. He added that, in the first competition of this second period of combat training, material as well as moral incentives were handed out, thanks to the initiative of the centers. Garcia commended the enthusiasm of the militia members, who attended classes despite the heavy rain that fell in Managua. He praised the militia unit chiefs who, understanding the difficulties involved in the courses, proceeded to prepare basic study material for the combatants.

The possibility of armed aggression against our fatherland makes it all the more necessary for the people to mobilize massively and rapidly towards the CIM's, Captain Garcia said in assessing development of the second period of combat training.

Garcia added that in Managua, as well as in other departments, more organizational efforts are needed to obtain greater attendance at the CIM's. In this respect, he stressed that it is important to have in the classes companeros who for whatever reason have not been in the popular militias.

Finally, he said that the militia member's attendance is quite satisfactory and that because of this, the militia training program has been going on in a very positive manner in all the CIM's.

PATRIOTIC FRONT MEMBERS DISCUSS CONFRONTATIONS

PA261840 Havana International Service in Spanish 0000 GMT 25 Sep 82

[Text] Today, he will present Adolfo Beteta and Marta Moreno, members of the Nicaraguan Patriotic Front, who were interviewed here in Havana by our reporter, (Isis Mariagui), about the situation that is currently being faced by the people of Sandino.

[Begin Beteta recording] The present situation being experienced by the Nicaraguan people in our country can be divided into two aspects: international and domestic. The two areas cannot be divorced from each other, because the aggression from abroad has to have the support of the internal reactionaries, that is, the rightist blocs, to define them politically.

In this regard, a number of aggressions of all types have taken place, in the economic, political and military areas. Indeed, international news dispatches announce to the entire world the situation that we are facing, particularly as a result of the famous Santa Fe document, and as a result of President Reagan's assumption of office in the United States, which is the stronghold and most genuine representative of imperialism and which we consider to be the No 1 enemy of mankind and the primary agent of all reactionary policy in the world.

Since the Reagan team has taken office, the situation has been aggravated in Nicaragua, so much so that there is a fixed budget for the CIA to work freely, supported by and providing finance for the Honduran Government and all the Somozist henchmen and national guardsmen who are in Honduras and even in countries like Costa Rica. That country played a role of quote, neutrality, unquote but has now, because of the economic situation being experienced by the Costa Rican people, compromised Costa Rican sovereignty and the new Costa Rican government, headed by Luis Alberto Monge, has also loaned Costa Rican territory for use as a springboard for attacks on our revolution.

In the military sphere, the Somozist bands even have the format of military units, but their modus operandi is to strike a blow and leave the country, because they can find no support within the national territory. They could not survive if they remained there.

In the economic area we are enduring a tremendous blockade like the Cuban Government faced and still is facing. We believe that we can overcome it because our people -- despite all the internal problems; the earthquake, the war, the floods in which we lost 90 percent of the lands that had been tilled for cultivation, primarily for cotton, which is our main source of income, and now a great drought -- have not been cowed, and therefore we will manage to emerge successfully from this situation. [end recording]

On the subject of how the Nicaraguan people confront the tasks of defense and production, Marta Moreno said:

[Begin Moreno recording] In that regard, our revolutionary government, through the various international forums, has waged a large-scale campaign to publicize the facts about our process, about the limitations that we face and the aggressions that are carried out by the imperialists and the counterrevolutionary military units. On the international plane, a broad campaign of misinformation has been carried out to cut off the solidarity of other peoples toward our revolution. Through the forums, our truth will be known, through the solidarity of the friendly peoples who have been present in the most difficult moments that we face. We want to emphasize here the solidarity that the Cuban people have demonstrated. This has been a most valuable contribution to our revolution to help it face, not only the economic situation, but also the aggressions carried out by the imperialists in our territory.

Domestically, we can say that in the economic sphere, special impetus is being given to the movement of innovators because the economic situation that we are facing is similar to that which was faced by the Cuban people. We have factori and companies in which all the machinery and spare parts were U.S.-made and the United States has cut off our loans and have cut off all aid. We have to make use of the inventiveness and creativeness of our workers.

In this respect, there has also been progress within our working class, which seeks only to move forward despite the imperialist aggression. Well, the confrontation is not only in merely military activities. There has been massive participation by our people in the various tasks related to defense. In facing the attacks of the counterrevolutionary military units, not only the Sandinist People's Army, but our people, through the various defense organizations such as the reserve battalions and the Sandinist people's militias, have waged battles in which they have struck harsh and telling blows at the enemy.

In the civilian sphere, our people have also joined the civil defense committees in order to be prepared in the event of any large-scale aggression in our territory. [end recording]

ADAN FLETES VIEWS OPPOSITION-FSLN TALKS

PA281350 Managua LA PRENSA in Spanish 21 Sep 82 p 4

[By Victor Medina]

[Excerpts] The Mexican-Venezuelan effort to ease tensions between Honduras and Nicaragua and the talks between democratic political parties with the Sandinist Front (FSLN) must lead to a dignified peace, Adan Fletes, president of the Social Christian Party of Nicaragua (PSCN) has declared.

Fletes referred to the proposal made by Venezuelan and Mexican presidents Luis Herrera Campins and Jose Lopez Portillo which was sent to U.S. President Ronald Reagan through the ambassadors of those countries in Washington.

The same proposal was sent to Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, and Honduran President Suazo Cordova.

Commenting on the Venezuelan-Mexican proposal, the PSCN president said that "one cannot look for a subjugated peace, and we view the effort they have carried out as positive."

Fletes noted the peace efforts undertaken in both Nicaragua's external and internal affairs, such as the talks currently being held between the Democratic Coordinating Board and the FSLN.

"Both efforts must be conductive to a dignified peace," Fletes stated. He represents the Democratic Coordinating Board in the talks with Commander Bayardo Arce, political coordinator of the FSLN.

Fletes said that "there is no result as yet to permit evaluating the conversations." However, he said that topics of great interest to the Nicaraguan people are involved in the talks.

The political leader affirmed that the FSLN and the Democratic Coordinating Board have expressed the desire to make maximum effort to achieve results.

Fletes indicated that the Social Christians know that the difficult situation in Nicaragua calls for new efforts to attempt to avert a military polarization, which affects the region of Central America and which has also affected the Nicaraguan revolutionary process.

"We already know the cost of a war. The country needs a period of peace to rebuild itself. This period of peace can be obtained if the parties engaged in dialogue are disposed to it," Fletes stated.

The leader noted that the Coordinating Board is made up of democratic civic organizations, which reaffirm with their efforts that there is still time for a peaceful solution.

Sees FSLN Political Mistakes

PA300235 Panama City ACAN in Spanish 2054 GMT 28 Sep 82

[Text] Managua, 28 Sep (ACAN-EFE) -- Adan Fletes, president of the Social Christian Party (PSC) of Nicaragua, has declared that "it is quite clear that the Sandinist National Liberation Front (FSLN) will lose any free election held in Nicaragua."

"If Sandinism had acted intelligently, it would have held elections in late 1979 or early 1980 and it would have won; but it is clear that after that date the FSLN will lose any election," Fletes stressed. The PSC leader said that to strengthen the revolution "one must respect the right of all political parties to reach power through a truly free electoral process."

"To think that elections are not to transfer power to the party or coalition of parties that wins constitutes a weakening of the revolutionary process," he noted.

Fletes, whose party is part of the Democratic Coordinating Board -- a group of parties' opposed to the FSLN -- said that "if the Sandinists are intelligent they must guarantee free elections in Nicaragua; and, in addition to being intelligent, they must respect the outcome of such elections."

Regarding the unity of the anti-Sandinist groups which have opted for the armed path to defeat the regime, he responded that the Social Christians will pursue "a civic option, which is different from opting for violence." "We recognize that there is a tendency toward the military polarization of the Nicaraguan process, which is bad. Therefore, efforts are being made to search for a peaceful and civic solution. The current talks between the Coordinating Board and the FSLN respond to this interest in nonviolence," he stated.

According to Fletes, the groups of Alfonso Robelo, Eden Pastora, Fernando Chamorro and Brooklyn Rivera -- who announced an alliance in Costa Rica -- are free to do as they please, but the Social Christians will strengthen the civic option. "We must promote a democratic opening, because it would contribute to reducing the trend toward violence," he added.

The FSLN and the Democratic Coordinating Board have agreed not to disclose the content of their talks, but it has been learned that the Coordinating Board requested unrestricted freedom of the press in the country.

COMMENTARY SCORES U.S. FOREIGN ECONOMIC POLICY

PA291410 Havana International Service in Spanish 0000 GMT 29 Sep 82

["World Events" commentary]

[Text] The world is facing a serious crisis in international economic relations and the underdeveloped countries are the most affected. The intransigence of most capitalist powers, especially the United States, has not permitted any progress lately in establishing the new international economic order suggested a decade ago.

Since President Ronald Reagan assumed power over 18 months ago, U.S. policy has maintained strong opposition to economic concessions of any kind to alleviate the already-serious situation faced by the underdeveloped countries. The United States has opposed UN international strategy for development, and the common attitude of President Reagan at the Cancun summit meeting in Mexico and of all top-ranking members of his government has been a persistent refusal to resume global economic negotiations.

Meanwhile, the United States has increased its protectionist policy and has applied new import duties -- as it recently did with sugar, which have affected a number of Latin American countries that depend on this product, whose main market is the United States.

Another aspect of that reactionary policy concerns the alleged aid the United States is giving developing countries. The first thing that catches one's attention is the cynicism and brazen language used by U.S. authorities, who shamelessly say that U.S. foreign aid should be an instrument to export U.S. ideology.

In agreement with this blackmail policy, the officials in Reagan's government have said that the aid should vary from country to country according to the country's strategic importance for the United States. U.S. foreign economic aid under such conditions, which is characterized by the great emphasis assigned to bilateral relations, reached its peak in the cooperation policy for Central America and the Caribbean. Its most accomplished expression was contained in the so-called Caribbean Basin Initiative with which the United States plans to carry out selective economic relations with some countries, while trying to solve highly explosive situations created by the imperialist policy of pillaging and exploitation, as is the case in Central America.

Despite the importance and propaganda assigned to this aspect of U.S. foreign economic policy, one can detect the limited amount of financial resources that the United States is willing to give. In the case of the Caribbean Basin, the total resources will be some $350 million. This amount is ridiculous. It is less than half of what the Central American countries must pay in interest on their foreign debt.

Besides, everyone knows that this contribution is not intended to create new jobs or to contribute to the economic development of those countries. Its main objective is to support fascist and reactionary regimes, such as the Salvadoran, Guatemalan and Honduran regimes, so that they preserve U.S. economic interests in those nations. This is also the payment made by the U.S. Government to regimes such as that of Jamaican Prime Minister Edward Seaga, who has assumed a position of total dependency on U.S. transnational enterprises. The main purpose of this policy is to strengthen the U.S. position in underdeveloped countries and make possible the solid expansion of its transnational enterprises.

COMMENTS ON MEXICO-GUATEMALA BORDER INCIDENTS

FL291615 Havana Domestic Television Service in Spanish 1139 GMT 29 Sep 82

[International commentary by Miguel Toirac from the staff of the "Revista de la Manana" program and Javier Rodriguez from the PRENSA LATINA staff -- live from Havana television Studio 15]

[Excerpts] [Toirac] The commentary today deals with the protest lodged by the Government of Mexico against the Government of Guatemala. It was a strongly worded protest because of recent -- actually this had been going on for a long time -- violations of Mexico's border by units of the Guatemalan Army.

[Rodriguez] Yes, really Toirac, I believe that these border attacks by Guatemala in Mexican territories are just an example of the role being played by the Efrain Rios Montt administration and by a U.S. special envoy to put pressure on Mexico. These attacks have been intensified precisely at a time when the U.S. media have clearly been waging a defamation campaign against Mexico.

As is well known, this defamation campaign was launched because of President Jose Lopez Portillo and his administration's decision to nationalize the private banks in Mexico and establish a general control of currency exchange.

In other words, these measures have not pleased the U.S. Government or a sector of the Mexican bourgeoisie affected by the nationalization. Because of this, of course, an enormous campaign of lies has been launched against Mexico, basically by the U.S. media. Suspiciously, these attacks which had been going on for a long time, have been intensified at this very important time for Mexico.

[Toirac] Well, Javier, I believe we cannot discount the axis, or the close relations, formed by the armies of El Salvador, Honduras and Guatemala. As we all know, Nicaragua has suffered various incursions and attacks at the hands of Honduras. And of course, supporting what you were saying, this tends to intensify even more the conflict in Central America.

[Rodriguez] Of course, and we must not forget that just a few weeks ago a supposedly confidential or restricted document belonging to the U.S. State Department was made public -- or at least fragments of it came to light in the Mexican media and the media of other countries. In this document, Under Secretary [as heard] of State Thomas Enders proposed the idea of bringing the current tensions of Central America to Mexico. This is what he recommended in his document. I believe he called it the "Central Americanization" of the Mexican problem with the objective of destabilizing the Lopez Portillo administration. That is, make Lopez Portillo feel pressure in the strongest possible terms, stop him from taking any further steps in the direciton he is now moving, make him renounce some of his sovereign foreign policy and not go any further in the economic measures he is now implementing.

[Toirac] Of course, Javier. In conclusion, I believe that the Guatemalan Government has not issued an official response. We will have to wait to see what justification they will allude to publicly.

Rios Montt Criticized

PA291355 Havana International Service in Spanish 2310 GMT 28 Sep 82

["Our America" commentary]

[Text] Between 6,000 and 8,000 people have been killed or have disappeared in Guatemala since 23 March 1982, when a military coup was staged and fascist Gen Efrain Rios Montt came to power.

These figures are very significant, because they confirm the timely charge by the Guatemalan National Revolutionary Unity concerning the reactionary nature of that coup and the important role that Ronald Reagan's government played in plotting and executing it.

After little more than 6 months in power, Rios Montt's clique has exceeded the sinister performance of Fernando Romeo Lucas Garcia's group of assassins. It has also improved the methods of repression, introducing the execution of political prisoners and the establishment of strategic villages in rural areas. This is how it has gained the reactionary U.S. Government's unrestricted support. As developments have confirmed, the coup in Guatemala was a desperate response by the Guatemalan people's enemies to the acute power crisis experienced by the pro-imperialist and repressive military regime in power since 1954.

With Rios Montt at the head of the Guatemalan military junta, the U.S. Government sought to create a new image for the Guatemalan dictatorship which would enable it to resume the direct military aid it had suspended in Lucas Garcia's day and to take other steps to bolster that corrupt regime. Lucas' clique had isolated itself from most of the bourgeoisie, the army and imperialism, and had ceased to be the right instrument to preserve bourgeois, oligarchic and imperialistic domination over Guatemala. The cracked ruling structure had to be repaired in order to curb Guatemala's growing revolutionary movement. Lucas Garcia's reactionary regime was displaced to prevent the danger that its enthronement, represented by the imposition of Gen Angel Anibal Guevara's electoral farce on 7 March, might culminate in the ouster of the entire dictatorship as a result of the people's vigorous action led by the Guatemalan revolutionary movement.

In only 6 months, which to the Guatemalan people have seemed like a century due to the intensification of hunger, repression and crime, the United States resumed its direct military aid to Rios Montt's dictatorship, fallaciously alleging that the human rights situation in Guatemala had improved. It also gave its support to this regime so it would join the so-called Central American Democratic Community, from which Guatemala had been excluded in Lucas Garcia's time.

Israel, which played a key role in supplying military aid to the Guatemalan dictatorship in the days when the United States had demagogically raised the human rights banner, has again taken a back seat in its support for imperialist policy in Guatemala, just as it has traditionally done in our America and in other parts of the world. Now the Zionist advisers figure prominently in the imperialist counterinsurgency plans that are underway in Guatemala, which include the destruction of Indian villages and the execution of political prisoners.

Guatemala is only a part of the present U.S. administration's counterrevolutionary, aggressive and interventionist plan, whose objective is to curb revolution in Central America and the Caribbean and to attack the victorious processes currently underway in Nicaragua, Cuba, and Grenada.

As has been seen in recent months, Honduras has been assigned an active role in these plans. As has also been seen, this has elicited a firm and revolutionary response from the peoples in the area, led by the heroic Salvadoran combatants and by that solid bastion, the now-irreversible Sandinist revolution.

HAVANA REPORTS PAREDES' REMARKS FROM GRANMA

FL291720 Havana Domestic Service in Spanish 1600 GMT 29 Sep 82

[Text] On Monday, 27 September the newspaper GRANMA, the official organ of the Central Committee of the Communist Party of Cuba, published a report on a recent visit by a Cuban delegation sent by Commander in Chief Fidel Castro to Panama.

The delegation was composed of Comrades Osmani Cienfuegos, Manuel Pineiro and Jose Antonio Naranjo, who held meetings with President de la Espriella, General Paredes, chief of the National Guard, members of the National Guard General Staff, the vice president, the foreign minister, the president of the Democratic Revolutionary Party and other Panamanian personalities.

In statements to the press, Gen Ruben Dario Paredes said that the Cuban delegation's visit to Panama was very important for the Central American region. It was a good will visit, said Paredes in an interview granted to [Panamanian] television Channel 2, in which he discussed Panamanian-Cuban relations. General Paredes said that the Cuban representatives were invited by us because a meeting between Fidel Castro and ourselves was becoming necessary.

Paredes said that the Cuban delegation brought him a letter from Fidel Castro, which he said would not be made public because it was a personal letter. Nevertheless, he said that the letter was couched in very cordial and respectful terms and is of great value to Panama due to its contents.

Paredes added that the message which the delegation takes back to Fidel Castro is that the Panamanian National Guard, Government and the people want a reestablishment of normality and social peace in Central America. he said that this is necessary so that by the year 2000, which seems far away but is very close, the North Americans will not stay in the Panama Canal 1 hour longer than the time specified in the Torrijos-Carter treaties.

CABRIZAS VISITS BULGARIA, TOURS INDUSTRIAL FAIR

FL280119 Havana Domestic Television Service in Spanish 0000 GMT 28 Sep 82

[Text] Cuban Foreign Trade Minister Ricardo Cabrizas has toured the pavilions of the Bulgarian machine building and electonics industries at the 38th Plovdiv Autumn International Fair. The Cuban minister was accompanied on his tour by the sector's Bulgarian Minister Toncho Chakurov.

The two ministers held talks on the further strengthening of cooperation and trade relations between Cuba and Bulgaria in the field of machine building and electronics.

Trade, Price Agreements Signed

FL292158 Havana Domestic Service in Spanish 1803 GMT 29 Sep 82

[Text] In the city of Plovdiv, the Socialist Republic of Bulgaria and Cuba have signed a price protocol for 1982 and more than a dozen contracts for next year amounting to more than 85 million rubles. The ceremony was chaired by Khristo Khristov, minister of foreign trade of Bulgaria, and his Cuban counterpart, Ricardo Cabrizas.

The Cuban enterprises signing the contracts with their Bulgarian counterparts were Alimport [Cuban Enterprise for Import of Foodstuffs], Medicuba [Cuban Enterprise for the Import and Export of Medical Products], Consumimport [Cuban Enterprise for the Import of General Consumer Goods], Autoimport [Central Enterprise for Supply and Sales of Light Automotive Equipment], Cuba Equipos and Quimimport [Cuban Enterprise for Import of Chemical Products].

The signing ceremony was held at the 38th Plovdiv Autumn International Fair on the occasion of the celebration of Cuba Day, which coincided with the anniversary of the Committees for the Defense of the Revolution.

CUBA TO BE SITE OF SOCIALIST JUSTICE CONFERENCE

FL281315 Havana Domestic Service in Spanish 1000 GMT 28 Sep 82

[Text] Cuba has been selected as the site for the next conference of justice ministers of the socialist countries at the seventh conference held in Ullaanbaatar, Mongolian People's Republic. In addition to the socialist countries of Europe, Cuba and Vietnam, the seventh conference was attended by the justice ministers of Angola, Afghanistan, Kampuchea and Laos.

Osvaldo Dorticos, member of the Communist Party's Politburo and justice minister, referred in his speech to the improvement of the Cuban legal system through legislative development. The Cuban justice minister set forth the forms of society's participation in the prevention of crime and the outstanding role played by the mass organizations in the fulfillment of this task.

Information was exchanged at the seventh conference of justice ministers on existing legislation in the participating countries and the role of the workers in the prevention of violations and in the defense of legal order as a firm basis for the development of socialist democracy.

CEMA CONFERENCES HELD AT CONVENTIONS PALACE

FL281318 Hovana Domestic Service in Spanish 1000 GMT 28 Sep 82

[Text] The 12th meeting of the Scientific Council and the 13th of the Council of CEMA Plenipotentiaries on oceanic problems are continuing their sessions today at the Palace of Conventions in Havana. The conferences will end on Sunday.

At both conferences, the representatives of six CEMA member countries, including Cuba, coordinate the scientific and technical potential of each country in order to carry out joint research and debate matters that contribute to greater knowledge and development of oceanography. The conferences will also analyze the study proposals suggested by each participant as well as the conduct of the plans and the holding of future research voyages. Scientific expeditions will include one by a Soviet ship in Cuban waters for 60 days. It will place the most modern oceanic research equipment at the disposal of our specialists.

ANGOLAN MINISTER ON NAMIBIA, CUBAN TROOPS

PA290423 Madrid EFE in Spanish 0241 GMT 29 Sep 82

[Text] Havana, 28 Sep (EFE) -- Angolan Planning Minister Lopo Do Nascimento declared in this capital that "there is no relation whatsoever between the independence of Namibia and the presence of Cuban troops in Angola."

Lopo affirmed that "there can be no relation, because the Namibian issue is a problem of decolonization." He accused the United States of "trying to include the problem of Namibia's independence in the U.S. overall cold war scheme." The minister stated that "the withdrawal of Cuban troops from Angola is a question of the strict competence of the sovereignty of the Angolan and Cuban states."

Lopo do Nascimento also touched on the topic of the renegotiation of the foreign debt and noted that the underdeveloped countries have had to renegotiate their debts in order to resolve the unbearable situation that they are facing as a result of the crisis caused by the capitalist economy.

"There is no other possible alternative," he noted, "but to renegotiate the foreign debt and in addition, to adopt other measures designed to change international economic relations and achieve a new economic order." The Angolan minister headed his country's delegation in the talks of the intergovernment Angolan-Cuban mixed commission for economic and scientific-technical cooperation. The talks concluded yesterday with the signing of a final document.

PRD ON REPORT OF DOMINICAN REBELS IN NICARAGUA

PA280436 Buenos Aires LATIN in Spanish 0213 GMT 28 Sep 82

[Text] Santo Domingo, 27 Sep (LATIN-REUTER) -- The Domincan Republic's governing party today expressed surprise at the charge that 200 Dominicans were probably receiving military training in leftist Nicaragua. Jose Pena Gomez, secretary general of the Dominican Revolutionary Party (PRD), told newsmen that he was not aware of a report saying that the Dominicans in Nicaragua would allegedly be training militarily to implant communism in their country.

The official's comments came in response to charges made by Nicaraguan opposition leader Alfonso Robelo and broadcast this weekend by a Dominican television station. Robelo, who resigned from the first Nicaraguan revolutionary junta in 1980, was interviewed by the Dominican television station in San Jose, Costa Rica.

BOSCH RAPS GOVERNMENT'S RELEASE OF FIAT MONEY

FL251545 Santo Domingo Radio Mil Network in Spanish 1000 GMT 25 Sep 82

[Text] Former Dominican President Juan Bosch has said the release of Fiat money [dinero inorganico] would soon bring about inflation and increase the country's foreign debt. The leader of the Dominican Liberation Party [PLD] said the Fiat pesos which have been put into circulation would generate a demand for foreign goods which must be paid in dollars. Pointing out that the country has no dollars to pay for those imported goods, the former president asserted that the Dominican Central Bank has a $110 million deficit in its account.

Juan Bosch, accompanied by a PLD economic team, met with the secretary of state of finance and other government officials and discussed matters related to government implemented measures. The monetary board recently authorized the release of 194 million Fiat pesos to confront the problems of enterprises and state institutions.

In an exclusive interview for Radio Mil, Juan Bosch said the economic crisis the country is experiencing would not be solved by the measures the president has implemented. He said it was impossible for a few taxes to play an important role in resolving a crisis he described as very severe. Bosch recommended that the government formulate a plan which would take into account all measures that must be adopted to at least reduce the economic ills.

VEGA TO DISCUSS CENTRAL AMERICAN PEACE AT UN

FL291335 Santo Domingo Radio Comercial Network in Spanish 0930 GMT 29 Sep 82

[Summary] Foreign Affairs Secretary Jose Augusto Vega Imbert will head the Dominican Republic's delegation to the UN General Assembly in New York. The foreign secretary will speak on "the search for peaceful solutions for Central America's problems, taking advantage of the presence of his colleagues from the continent." This information was released by the Presidential Press Office.

BRIEFS

NEW FRENCH AMBASSADOR -- The new French ambassador to the Dominican Republic, Jacques Fesquet, will present his credentials to President Salvador Jorge Blanco today at 1000. [Santo Domingo Radio Comerical Network in Spanish 0930 GMT 27 Sep 82 FL]

FRG CREDITS -- President Salvador Jorge Blaneo yesterday empowered Finance Secretary Jose Rafael Abinader and State Electricity Corporation Administrator Marcelo Jorge to sign two credits totalling 29 million German marks. They will sign for the loans, granted by the FRG for energy projects, in Santo Domingo. [Santo Domingo Radio Comercial Network in Spanish 0930 GMT 27 Sep 82 FL]

BARBADOS

BBS BEGINS BROADCASTING SERVICE 27 SEPTEMBER

FL271417 Bridgetown CANA in English 2216 GMT 25 Sep 82

[Text] Bridgetown, Barbados, Sept 25, (CANA) -- Barbados' newest and third radio station, Barbados Broadcasting Service (BBS), will begin programming Monday, a spokesman for the station has announced.

The service will begin at 5 p.m. local time and listeners will be provided with six hours of daily broadcasting. The spokesman said: "The station is a music station but it wouldn't be a national juke box."

Hours of broadcasting will be increased after BBS has overcome initial programming problems, and news and radio features will gradually be incorporated, the official said.

BBS is an entirely Barbadian-owned station and will be located in the central parish of St George. The date of the official opening of the station is to be announced.

The other two radio stations operating here are the state-owned Caribbean Broadcasting Corporation (CBC) and Rediffusion Barbados Limited, a wired service.

GRENADA

EARNINGS FROM AGRICULTURAL EXPORTS DECREASE

FL291842 Bridgetown CANA in English 1812 GMT 29 Sep 82

[Text] St Georges, Grenada, Sept. 29, CANA -- Grenada earned 14.8 million dollars less from its major agricultural exports in the first seven months of 1982 than it had received in the corresponding period last year, according to the government's Central Statistical Office.

The office today released figures showing a steep decline in the country's earnings from nutmeg, banana and cocoa exports from January to July this year. The office also reported a decline in the number of tourists visiting the Caribbean island.

Exports of nutmegs fell 68.5 percent from 5.4 million East Caribbean dollars (EC) (1 EC dollar: 37 cents U.S.) to 1.7 million EC dollars. Banana exports dropped by 19.2 percent, from 6.5 million EC dollars to 5.2 million EC dollars and cocoa exports declined by 29.7 percent, from 33.0 million EC dollars to 23.2 million EC dollars.

During the same period, the tourism sector also showed a decline, with visitor arrivals falling by 22.0 percent and cruise ship visits by 19.6 percent. Private remittances -- money sent into Grenada for individuals -- increased by 30.2 percent, from 23.8 million EC dollars to 31.0 million EC dollars.

Government revenue was up by 9.3 percent, from 28.3 million EC dollars to 30.9 million EC dollars. The retail price index for July 1982, which has a January 1979 base of 100, stood at 175.9 points, an increase of 6.8 percent over the July 1981 figure of 164.7 points.

HAITI

NEWSWEEK CHARGES ON DUVALIER HEALTH DENIED

PA281920 Paris AFP in English 1741 GMT 28 Sep 82

[Text] Port-au-Prince, Haiti, 28 Sep (AFP) -- The Haitian information minister today denied allegations in the American NEWSWEEK magazine that President Jean-Claude Duvalier, 31, was suffering from an incurable disease.

The minister called the article "completely false" and said that the Haitian Embassy in Washington would lodge a formal protest about the article.

NEWSWEEK alleged in its most recent issue that the Haitian president was suffering from lupus erythematosus, a degenerative disease that wastes the body's connective tissue, produces lesions on the skin and internal organs, and causes leukemia and inflammation of the heart lining and valves.

NEWSWEEK said that during a recent nationally televised speech, Mr Duvalier seemed lethargic, perhaps as a result of steroid treatment.

JAMAICA

MINISTER VAZ TOURS FAR EAST TO PROMOTE TRADE

Contacts in Korea

FL281933 Bridgetown CANA in English 1759 GMT 28 Sep 82

[Text] Seoul, South Korea, Sep 28, CANA -- A 17-member mission headed by Jamaica's Commerce and Industry Minister Douglas Vaz has left South Korea after talks with senior government officials and businessmen on opportunities for trade and investment in the two countries.

In Seoul, the first stop on a tour that takes in Japan, Taiwan, Hong Kong and Singapore, the Jamaicans won a promise from the Korean Trade Promotion Centre (KOTRA) to strengthen trade relations and increase the volume of trade between the two countries.

The Jamaicans are particularly interested in exporting more goods to the Far East under their government's current restructuring of the economy that emphasizes the role of exporters.

The president of KOTRA, Mr Cha Chung-yun, described his talks with the Jamaican Government and private sector officials as "fruitful." South Korea exported 1.7 million dollars (U.S.) worth of goods to Jamaica last year. South Korean goods shipped to Jamaica the first half of 1982 were valued at 2.7 million dollars (U.S.), an increase of 244 percent over the same period last year.

Mr Vaz also met with Korean Minister of Energy and Resources So Sang-chol and Minister of Finance Kang Kyong-sik.

Members of the Jamaica delegation are Mr Vaz, Carlton Alexander, chairman of the government's Committee on Investment and Employment; Vernon Matalon, vice president of Industrial Commercial Developments Limited; Billon Young Chin, managing director of Jamaica Carpet Mills and Jamaica Carpet and Drapery Limited; Mrs Corrine McLarty, managing director of Jamaica National Investment Promotion Limited; Peter King, managing director of Jamaica National Export Corporation; and High Shaw of Jamaica National Investment Promotion Limited.

Appeals to Japan

FL292239 Bridgetown CANA in English 2215 GMT 29 Sep 82

[Excerpts] Tokyo, Sep 29, CANA -- Jamaica's Industry and Commerce Minister Douglas Vaz has urged Japan, which has been chalking up multi-million dollar trade surpluses, to do more to help Third World countries in need of technology and a bigger market for their products.

Mr Vaz made the suggestion while speaking to reporters before the opening of a conference on Latin American-Japan business cooperation.

Mr Vaz said that Japan must be prepared to share its technology, to open its market, and to offer support for the infrastructure required by Latin American nations for their development.

Mr Vaz, who said that this would include the Caribbean region, warned that the world's current economic recession would not be reversed until the realities of life were faced.

The real future for Latin America, said Mr Vaz, lay in widening labour-intensive, non-traditional exports and in exploiting the region's vast natural resources.

He said: "Japan has gone up the ladder of development and this should now result in a transfer of technology and a know-how to developing countries through joint ventures and partnerships, particularly in labour intensive areas - a mechanism which Jamaica would welcome."

Mr Vaz stressed the business and economic opportunities offered by Jamaica because of the country's special trade privileges in the European markets, as well as its strategic and geographic location coupled with available infrastructure to service North and South America.

GOVERNMENT AGREES TO HOST CARICOM SUMMIT IN NOV

FL250056 Kingston Domestic Service in English 2300 GMT 24 Sep 82

[Excerpts] The long-awaited meeting of Caricom heads of government is to take place in Jamaica from November 15th to 18th at the Americana Hotel in Ocho Rios. Jamaica agreed to host the conference after Guyana withdraw its offer.

An announcement from Jamaica House this afternoon said foreign ministers will meet to discuss preliminaries on November 15th and the heads of government will convene on Tuesday, November 16th. All heads of government of Caricom countries are expected to attend.

ST LUCIA

PRIME MINISTER COMPTON ACCUSES CUBA OF MEDDLING

FL282007 Bridgetown CANA in English 1822 GMT 28 Sep 82

[Text] Bridgetown, Barbados, Sep 28, CANA -- St Lucia's Prime Minister John Compton has accused Cuba of interfering in the domestic affairs of his country and other Caribbean states and has reiterated a call for Grenada's revolutionary government to test its popularity through the ballot box.

His remarks were made in an exclusive interview in the September-October edition of the new United States-based "EVERYBODY'S" magazine, just received here.

Mr Compton said he had proof that Cuba has tried to interfere "in our domestic affairs," not only in St. Lucia, but in the Caribbean.

"We think that if we have relationships...they should not go beyond the diplomatic cover and interfere in the smaller organisations like your trade unions and your political parties," he said.

He added: "That is not correct for any government -- any government, not only the Cuban Government. They should have relationships with the government and not go in behind to try and extend their influence beyond what areas the government permits them."

Mr Compton said there was concern about the influence within the Caribbean but he has not officially communicated his views on the subject to the Havana government.

"It reached its zenith in 79, it is receding now, but it is still there, and once you have Cuban influence there, behind the Cuban influence there is going to be the Russian influence," he said.

Mr Compton felt that the Caribbean should "keep out of that, and the only way to keep out of that is to harmonise our foreign policies."

Mr Compton told editor Herman Hall that Grenada had gone off the democratic track and the government of Prime Minister Maurice Bishop, should realise that is considered an aberration.

"They have gone out of ranks, and the Grenada Government -- I have said that publicly, and I'll say it again and again, that the Grenada Government should bring themselves back into the Caribbean fold fully, by having the type of government that we accept in the Caribbean," Compton said.

He added: "We choose and we change our government at the ballot box, and the Grenada Government has had three years to consolidate its revolution. It's about time they put their popularity to the test."

Mr Compton said that St Lucia had no objection to Grenada participating in the heads of government summit, scheduled for November in Jamica, but he said it was concerned about a statement that there is to be an exchange of information between Grenada and Cuba at the level of the foreign ministers.

"Well, if Grenada is within our organisation where we try to harmonise our foreign policy, it means that there is an opportunity for division and suspicion between ourselves and the [Grenada Government, "he said, "and I wouldn't say they should choose between ourselves and Cuba, but the Grenada Government should realise that they are part of the Caribbean Community, and their first obligation is to the Caribbean."

He said one of the Caribbean Community's failures was that its leaders had not been meeting. In addition, he said, there is no strong Caricom group in the United Nations and the area where there seems to be a strong Caribbean presence is one of the areas "where we should not appear to be ganging up, is in the (Organization of American States) O.A.S.

Mr Compton noted: "There is a lot of suspicion now in the O.A.S. of the English-speaking (?Caribbean countries).

TRINIDAD & TOBAGO

BWIA REPORTS $61.4-MILLION OPERATING LOSS

FL271245 Bridgetown CANA in English 2210 GMT 25 Sep 82

[Text] Port-of-Spain, Trinidad, Sept 25, (CANA) -- Trinidad and Tobago's state-owned airline B.W.I.A. lost 61.4 million dollars (one T.T dollar; 41 cents U.S.) for the first half of the year, the company has announced.

The airline said it lost 29.5 million dollars for the first quarter of the year and 31.9 million dollars for the second quarter. BWIA said that while its performance for the first half of the year was worse than the projections made in 1981, it was close to the projections made in early 1982.

In its publication "UPDATE", the airline said that "the worsening economic situation in early 1982 in the United States, Canada and the United Kingdom, fueled by high interest rates, high unemployment levels and the tight monetary situation, adversely affected international passenger travel and forced a downward revision of projected scheduled international passenger revenue."

BWIA had originally projected earnings of 121.6 million dollars and later revised the figure to 118 million dollars. The actual revenue amounted to 112.2 million dollars.

Total operating costs, the publication said, were 208.3 million dollars for the six-month period. It explained that "against the orginial projection, there were cost overruns in personnel costs and depreciation."

Actual compensation was much higher than projected, despite a reduction in staff while depreciation increased because of the retention of the Boeing 707's and Avros for periods longer than anticipated.

"UPDATE" said that in December 1981, the airline's board decided to lengthen the phase-out period of the Boeing 707's beyound March this year while it assessed "the impact of Lockheed's decision to discontinue production of the L-1011 aircraft. By the end of June, having sold a further three Boeing 707's, the airline had two in operation.

"In the light of significant changes in the world economy, retention of larger fleet, changes in the airbridge market fare (between Trinidad and Tobago) and compensation higher than anticipated, the Ministry of State Enterprises requested a revised projection for the airline for 1982 to be prepared."

The publication said the revised projection was made and submitted for approval.

It added: "In the second half of 1982, the board looks forward to a successful summer, completion of wages negotiations and further cost containment systems-wide. However, it is noted that there still has been no improvement in the world economy and hence, difficulties are anticipated in the fourth quarter.

"The airline, with the full support of staff and shareholders, will have to adjust to the imperatives of a prolonged recession."